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INFORMATION ON COUNTRIES' POLICIES,
ACTIVITIES AND RESEARCH NEEDS FOR DEVELOPMENT

PANAMA: CASE STUDY

Document No. 1

- Panama's Global Development Policy
- Appendix

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INTRODUCTION

The present document collects the results obtained from the analysis of Panama's general development policy. It has been prepared as a previous step to the sectoral study on health, in order to give a general view of the country's problems and of the policies the government has devised to solve them.

The basic documents used for this analysis were the "Operative Plan for 1974" and the "National Development Strategy, 1970-1980" as well as publications on the country's statistics (see Bibliography).

The first part of this document presents a diagnosis of the country's main problems, complemented by the charts in the appendix; the second part expounds the general policy starting with its general and long range goals followed by the detailed exposition of its main aspects. The policy chart illustrates the relationship between goals and general and sectoral policies.

The Ministry of Economic Planning and Policy is presently (August, 1975) working on a development plan which should be published soon. As the general conception that guides the new plan is the same that oriented the documents consulted for this study, we think there will be no significant variations in goals; new elements will possibly be introduced in the general and sectoral policies for a longer range than the one considered here (Operative Plan 1974). They will, nevertheless, probably be developments in the current policy rather than fundamental changes.

This document was submitted to the Ministry of Economic Planning and Policy for its evaluation in July 1975.

The analyzed bibliography appears at the end of document No. 2 on the Health Sector.

PANAMA'S GLOBAL DEVELOPMENT
POLICY

PANAMA'S GLOBAL DEVELOPMENT POLICY

1. Development Characteristics and Problems

In order to understand Panama's global policy, one must previously examine the problems which the country considers determinant for its development. The present government, presided by General Omar Torrijos, has expressed in various documents the diagnosis of the country's problems which serves as the basis of its efforts toward national development. We will make a synthesis of these problems according to the formulations which the government has made in this respect.

1.1 Economic Development

The close relation between economic and social problems makes them separable only for the purpose of exposition. We will try to establish the relation between them in order not to fragment the diagnosis which must necessarily be comprehensive.

Panama's economic growth rate during the last decade has been close to 8% per year, even though in 1972 and 1973 this average diminished to 6.5.* This growth - the highest in the continent - has increased fiscal resources to encourage development and has significantly reduced unemployment, although this continues to be an important problem.** In spite of this, there are still problems which the government considers of particular importance because they are obstacles to development.

Economic growth throughout the territory is not uniform. There is a great unbalance between the metropolitan area, where, both the population and the newly created jobs are concentrated, and the rest of the country. This problem determines socio-economic features which will be explained later on.***

* See Chart No. 1

** Its solution requires the creation of jobs to absorb the natural population growth, and at the same time to diminish unemployment which was 4,8% in 1970 and 6.5% in 1973. See Chart No. 2.

*** See Map and Chart No. 3.

There is a marked difference in income distribution in both areas. Seventy four of the income obtained by individuals in the country is concentrated in the metropolitan area, in 53% of the total receivers. Even though in both areas there is unequal distribution and concentration of incomes, this is much greater in non-metropolitan areas.*

The most rapid growth is found in the services (tourism, banking, transportation, storage -- and those related to the Canal Zone), and in manufacturing industries, all of them concentrated in the metropolitan areas;** on the other hand, it can be foreseen that due to the country's geographic situation, these sectors linked to the Canal Zone will continue being of prime importance. Agriculture, animal husbandry and forestry have expanded very slowly and there are still obstacles for their development, in spite of their good potential.

In agriculture the unavailability of modern inputs and technology, and the irregular situation of land tenure are limiting factors which keep agricultural production at the subsistence level: almost 67% of exploited lands lack title deeds, only 10% of land under exploitation receives credit, 52% of the farms have less than five hectares, 80% is dedicated totally or principally to subsistence and over 40% of the agricultural area is at rest. In addition to this, land area dedicated to commercial crops has diminished in recent years because of the lack of incentives for the producers. The agricultural sector is considered of great strategic importance and a vigorous effort for its development is required.***

Panama's economy has a special structure due to the fact that it lacks its own monetary system: it is based principally on foreign trade. As a result, economic growth depends on its capacity to extend and diversify exports, placing them in a

* See Charts No. 4, 5, 6, 7.

** See Charts No. 8, 9.

*** See Chart No. 10.

favorable light in relation to imports. In past years, the deficit in the ordinary account of the balance of payment has surpassed 100 million balboas* due mainly to the large of exports in relation to imports.**

The growth of export capacity will greatly depend on industry - which at present is oriented exclusively toward the domestic market -, on the extension of the services to foreign trade, and on financial activities - which have been greatly encouraged and have succeeded in attracting foreign capital to the country through the banking system. Panama is very closely linked to the economies of the United States, Japan and Europe through its monetary system and as a result, inflation in these economies has strong repercussions in Panama.*** Because of this, its economic policy is aimed at internal development in order to counteract these effects by muffling them, instead of trying to control inflation which is extremely difficult under these circumstances.

1.2 Social Development

The government's main concern has been the extreme poverty of some of the country's areas, which is closely related to the imbalance between the metropolitan area and the rest of the country. The concentration of development in a small geographic area attracts numerous migrations which create great demand for services, housing and employment in the cities while the countryside loses its work force and is reduced to subsistence farming.**** This migratory process causes many problems: large urban and rural groups are left out of the country's socio-economic, cultural and political life with the resulting formation of slums, malnutrition, etc.

* One Balboa equals one dollar.

** See Charts No. 11 and 12.

*** Between December 1972 and December 1973 the whole sales price index increased 18%, coinciding with the spiral process of world inflation. See Chart No. 12A.

**** See Chart No. 13.

Panama's population grows rapidly but its density is low. Young groups are predominant and as a result the economic dependency rate is high, being higher in the countryside than in the city.* Because of the relative lack of population in large areas, the government does not view rapid population growth as a serious problem; policy emphasizes the increase of economic growth more than the reduction of the population.

The present government has made a continuous effort since 1968 to combat poverty and marginality by raising the standard of living of the poorest groups and by integrating them into the national economy and into political life. In relation to the previous decade, the results have been remarkable, but the existing problems still demand significant action.

Malnutrition, specially in isolated rural areas seriously affects health, specially children's health. Isolated areas in general are in unfavorable environmental conditions; however, there has been a notable decrease of mortality (from 8.3% in 1960 to 5.8% in 1973).**

The housing deficit is big; the upsurge of the construction industry in past years has been directed at high income families while the demand for low and middle income housing remains unsatisfied.

The government has made a special effort in the educational field, and has managed to increase coverage and to provide equal educational opportunities to both men and women.*** According to the 1970 census, 83% of the population between 7 and 14 years old was covered by primary education while ten years before, this was so for only 70%. During the same period, secondary school coverage had increased from 36% to 55% in the population between 15 and 19 years old.**** However, there is a glaring deficit of vocational and university

* See Map and Charts No. 14, 15, 16, 17.

** See Charts No. 18, 19 and 20.

*** See Chart No. 21.

**** See Charts No. 22 and 23.

education which is not enough to satisfy the country's needs. This is particularly important to the government who considers that the solution to marginality and poverty is not welfare measures but the integration of marginal groups into production, the market economy, and the strengthening of their productive capacity and that of the whole country. In order to reach this goal, a large number of people must be trained.

2. Development Policy

The sources for this synthesis of Panama's development policy are two government documents: "La Estrategia para el Desarrollo Nacional 1970-80" (The Strategy for National Development 1970-80), published in March 1970 by the General Planning and Administration Bureau of the Presidency of the Republic and "El Plan Operativo del Gobierno Nacional para 1974", (The National Government's Operative Plan for 1974), published by the Ministry of Economic Planning and Policy.

The first document offers a long range global perspective of the possibilities for national development. It is not a plan or program but a frame of reference from which concrete plans, programs or projects can be derived. However, it clearly and systematically presents the government's conception of the course which Panama's development should take in the coming years.

The second document is, on the contrary, a formulation of short range policies aimed at guiding the governmental action during 1974. For this reason it not only stipulated the general objectives but also details the concrete programs. The same conception can be perceived in both documents even though the subject order does not strictly correspond. This synthesis will try to collect the essential elements of both documents, in a different order but maintaining the fundamental characteristics of the development policy.

The Panamanian government is working on a medium range development plan which will be published shortly; it is probable that, due to the continuity and coherence of the government's policies, and to the fact that the programs are already being carried out, this plan will not change this document much, even though it may be necessary to correct some details or elaborate further on some points.

2.1 Goals

The "Strategy for National Development" is built on five main goals which serve as the basis for drafting the policies and programs:

- a) Increase in national wealth and diversification of exports.
- b) National and regional economic integration.
- c) Social integration.
- d) Institutional strengthening and development.
- e) Fostering of the Panamanian people's motivation and national feelings

The first goal centers its attention on economic growth through the adequate exploitation of the country's natural resources and its geographic position. This last factor has made Panama an obligatory spot in interoceanic transit through the canal. However, there are many other possibilities of exploiting this situation, such as: an international airport, interoceanic transport and storage of cargo in containers, the transisthmian pine line, tourism, building of shipyards, development of international banking and of the processing industry of raw materials in transit through the canal. The Panamanian government has made feasibility studies and is taking measures towards achieving those possibilities.

The strengthening of the country's export capacity and the development of the services* must be the basis of its economic expansion because of the circumstances mentioned in the diagnosis. For this, in addition to the resources derived from taking advantage of the geographic situation, it is necessary to orient both, domestic and foreign industry investment in the country towards foreign markets through incentives which could place industry in an internationally competitive situation. The exploitation of natural resources, fishing and mining resources, as well as cattle raising and the production of vegetables and sugar, should also be oriented towards this end.

* In addition to those mentioned in the previous paragraph, there is a plan for extending the free zone in Colon.

In short, the country's economic growth will depend on the extension of its capacity to export goods and services.

The second goal of the Strategy seeks to eliminate the imbalance existing among the different geographic regions and the consequent desintegration already mentioned. In order to reach this goal, every region must participate in the development process by increasing its productive activities and not through subsidies. This goal is closely related to the first one because it implies the exploitation of each region's natural resources with the aim of exporting them and the technical qualification of the population, needed to achieve it.

National and regional economic integration gives rise to the exploitation of natural resources: agriculture, forestry, fishing and mining. Agriculture is specially important within this perspective: it is necessary to incorporate the great mass of subsistence farmers into the market economy through credit, technical advise and marketing. For this reason, agricultural research is considered in a special light, so much so that the operative plan for 1974 states that "agricultural research is perhaps the only basic research area with high social returns for a small economy like Panama's".

Besides encouraging productivity in each geographic area in order to achieve its integration into the development process, it is necessary to create a communications infrastructure, both in land and air transportation as well as in modern mass media and an energy infrastructure for the electrification of the marginal areas which will allow the establishment of industry. And to conclude, economic integration implies other aspects also linked to the third goal and related to the human element: technical education and high level training of human resources for research, the health plans, as well as plans for housing and adequate planning of urban development. Only as a consequence of the welfare provided by these measures will work productivity increase in the area which require integration.

Social integration does not refer to geographic areas, but to human groups and it is impossible to separate from the first two goals. Its aim is to provide social opportunities and

benefits to the poorest groups in order to stimulate their productive capacity and their capacity to participate in the country's political life. This goal originates policies for education, health, agrarian reform, community development, social security, housing and employment. Of these, it is worthwhile mentioning the policy for community and municipal development which seeks to promote community participation in policy decisions and in their implementation. The search for forms of community organization with these aims has been one of the present government's principal policies and has been of great importance in the health and agricultural sectors. The educational policy is also important because the increase of productivity through the qualification of the work force depends on it.

The last two goals are necessary complements of the first three. One of them refers to institutional strengthening and development, putting special emphasis on those institutions in charge of the problems and policies to which priority has been given. These are: economic growth, improvement of human resources, development of physical infrastructure and technology. The other is related to the elements of the national culture which is specially important as a unifying force* and requires the promotion of the university, of research and of diffusion of the Panamanian nation's history, traditions, folklore, etc.

The Strategy's five goals are all closely related to each other. As a result, the policies derived from them can help to achieve one or several of them simultaneously. The "Operative Plan for 1974" fits into this global conception of development. It expresses goals which precede the statement of policies and programs to be carried out and which complement the items in the document on Strategy.

Long and middle range goals and perspectives are to:

- 1) Strengthen national self-determination by taking better advantage of natural resources and of the country's geographic position, including the Panama Canal Zone.

* Panama confronts the problem of cultural minorities which are not integrated to the nationality. The most important of these are the Indians and the Antilleans.

- 2) Achieve social, economic and political integration within the country, emphasizing both economic and political decentralization.
- 3) Speed up the economic and social progress of the poorest groups in urban and rural areas; and their participation in the benefits of development through organization schemes which will incorporate them effectively to the economic activity.
- 4) Substantially improve the income of the most marginal groups.
- 5) Invigorate economic growth, keeping an adequate balance between national production and consumption.
- 6) Reduce unemployment and underemployment as rapidly as possible in urban and rural areas.
- 7) Achieve participation of the whole Panamanian population in the integral process of national development.
- 8) Obtain national development and change at a low social cost.

These goals, repeatedly mentioned by General Torrijos, are the basis for the 1974-1978 Development Plan, and though they do not modify those stated in the document on Strategy, they indicate the emphasis of the government's efforts more clearly. Most evident is the special attention given to economic growth and to the improvement of the standard of living of the country's poorest groups and geographic regions.

For 1974 all this is concentrated in four short term goals of necessarily transitory validity, which serve as the closest frame of reference to the government's activities.

- a) Control unfavorable effects of price hikes on savings, on the orientation of resources for production and on income distribution.
- b) Confront problems caused at the national level by the scarcity of products, ensuring adequate supply of goods.

- c) Promote more investment which would allow an increase in the creation of new jobs and will keep a high revenue level.
- d) Provide incentives and promote economic activities whose growth rate has slowed down during the past few years, specially in agriculture, industry and exports, so as to improve the international balance of payments. The construction sector must also be kept vigorous.

In order to achieve these goals, price and wage commission and supply commissions have been created and other concrete measures have been worked on.

The "Operative Plan for 1974" adds to the above enumeration the statement that "the revolutionary government's most pressing permanent goal is the attack of marginality and extreme poverty." For this, marginal groups must be supplied with resources to augment productive capacity as the only way of solving the problem once and for all. However, due to the seriousness of the problem in some areas of the population, there is a need for emergency measures in nutrition, health, education and housing which must produce results in a short time.

According to what has been explained, the goals are translated into concrete actions and programs. Of these, the ones considered most important by the "Operative Plan for 1974" are:

- A systematic and comprehensive rural development program based on the creation of productive centers, which would thus provide the marginal sectors with elements to effectively combat their poverty.
- Integral programs of nutrition, vocational education, training, health and social organization.
- Programs for the construction of local access roads, and for storage and marketing.
- Programs for the provision of inputs for agricultural production, irrigation, small scale mechanized cultivation and transportation facilities.

- Investment programs in districts (corregimientos), and in small projects demanded by the community.

2.2 Policies

The above mentioned goals are specified in two documents: The National Government's Operative Plan for 1974 and the Development Plan which is being worked on. The following is a synthesis of those policies, omitting concrete actions foreseen in order to achieve the goals and policies.

- 2.2.1 Income distribution - Its goal is to incorporate the most marginal sectors of the population in the whole country into the development process. For this, there are two forms of distribution: nutrition, health, education, communication and housing activities in order to provide minimal conditions to the population; and activities to incorporate the marginal groups into the productive process and to use their human potential in their own benefit and in the benefit of the country.

The policy differentiates between activities to be carried out in the rural and urban sectors because of the different nature of the problems. It includes activities in the social infrastructure (health, education, nutrition, and housing) and in the economic infrastructure (roads, irrigation, agricultural inputs, credit, title deeds, investment in municipalities, etc.)

- 2.2.2 Global policy for economic growth - Seeks to generate the quantity of jobs demanded by the growing labor force, the fiscal revenue necessary to solve problems of marginality and poverty, and the foreign currency required for financing national development. This policy foresees actions in public investment, stimulating private investment so that it participates in the regional development poles, training of labor union leaders in order to improve productivity, and exploration of new areas for investment.
- 2.2.3 Prices and wages - As was explained earlier, foreign trade and the monetary system cause variations in world prices which affect internal prices and do not allow the

government to control them. Because of this, the policy tries to alleviate the negative impact of inflation on income distribution and to avoid its distorting effects. As to wages, it suggests activities to protect their buying power and to create mechanisms to increase productivity.

The policy divides prices into three sectors:

- 1) Those in which domestic trade provides an effective mechanism for price controls.
- 2) Those which contain monopolistic elements in which there should be strong price controls until the problem is solved from the roots.
- 3) Those in which, due to past activities, there are distortions which reduce investments productivity.

An important aspect of the measures on price controls and policy on wages will be their diffusion, in order to obtain the backing of entrepreneurs and workers for the policies.

2.2.4 Supply policy - Its specific goal is to solve problems of provision of imported products and raw materials and to ensure an adequate supply of national products. It includes activities destined to obtain imported goods, rationalize use and consumption of scarce products, build up strategic stock of key merchandise, stimulate the substitution of expensive and scarce imported goods by national products or other imports and strengthen domestic production.

2.2.5 Employment and labor - The creation of new job sources is closely linked to the economic growth policy and to the social policies which seek well being for the workers. Because of this, the goal of generating new jobs must be present in all policies, both global and sectorial. This policy also pursues the qualification of the labor force, labor which will allow better distribution of human resources and just work retribution. This policy specifies activities destined to: stimulate investment in order to create jobs both in the metropolitan area as well as in the regional development poles, build infrastructural

elements which will permit productive labor, intensify governmental y private qualification programs. Strengthen vigilance on work relations and labor organizations, and up date statistical records and legal regulations on work, unemployment, etc. in order to provide a realistic base for the execution of the policies.

2.2.6 Foreign trade - This is oriented toward the diversification of exports as a main element of economic growth. It foresees a set of activities based on the creation of a commission formed by several ministries and governmental institutions in charge of carrying out a detailed study of policies and measures to be implemented. These measures include trade treaties, programs for technical financial advise on exports, and encouragement, establishing export priorities and gathering information on foreign markets.

2.2.7 Banking and credit - The local banking system and international credit have been the main sources for financing investments in the country. In this sense, the policy seeks to maintain adequate financing strategies for the economy in general but particularly for the most important sectors of production.

In relation to global financing, it seeks to consolidate Panama's position as an international financial center by stimulating the establishment of banks, the expansion of international banking operations, and by training Panamanians in this type of work.

Credit should preferably be given to the most dynamic and rapidly growing sectors which offer highest rentability. The policy on prices which regulates productivity indirectly and the strengthening of governmental institutions specialized in sectoral credit, specially in agriculture and industry, will be used to achieve this goal. In addition, credit should serve as an instrument for income distribution. It should be made available so small producers and its cost should be reduced so that it reaches low income consumers.

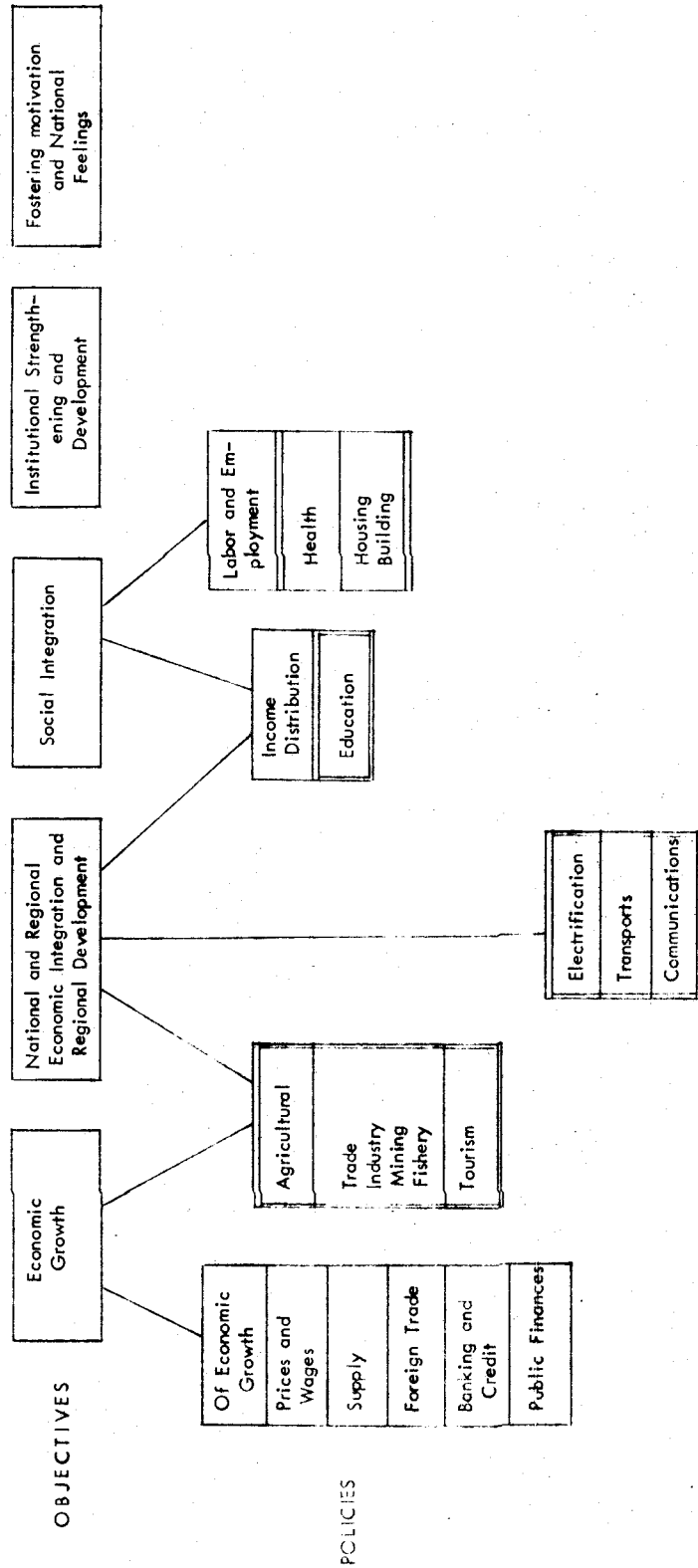
2.2.8 Public finances - The Ministry of Planning and Economic Policy is in charge of orienting and coordinating this policy through the commission of public finances. This commission has pointed out a set of measures aimed at ensuring tax collection foreseen in the central government's income budget, to reduce tax evasion, to ensure adequate control of public spending within the limits established by the budget, and to increase public investment and stimulate private investment.

2.2.9 Sectoral policies - The operative plan for 1974 lists a set of sectoral policies, some of which will later be studied by IDRC. For this reason we will not make a summary of these policies, but merely enumerate the sectors considered subject to sectoral policies by the Panamanian government:

- Agriculture and animal husbandry
- Commerce, industry, mining and fishing
- Tourism
- Health
- Education
- Housing and construction
- Electrification
- Transports
- Communications

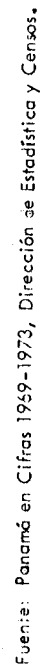
The term "sector" is used both in Panama's policy document and in our study as meaning a group of problems and not in the sense of administrative competence of an agency. Each sector, therefore, has a different administrative structure according to many factors. It may be guided by a ministry or by another type of agency or by many agencies at a time. The understanding of what a sector is, makes the above list something more than a simple classification. It indicates the Panamanian government's most important problems which are closely related to the development strategy explained at the beginning.

PANAMA: GLOBAL DEVELOPMENT POLICY



The double line indicates the priority sectors as they, in contrast with others, have a specific sectorial policy, within the global policy.

APPENDIX



PANAMA'S GEOGRAPHY AND RESOURCES

Panama's economic activities are concentrated in the low lands of the Pacific, to the West of Panama City, and in the region around the entrance to the Canal on the Caribbean, in all slightly less 50% of the country's total area.

The climate of the Pacific region is one of tropical grassland, with a dry season which varies in severity according to the place, and which is most severe in the Azuero Peninsula. In higher regions the climate becomes more moderate and contrasts strongly with the former as in Boquete and Cerro Punta, in the Province of Chiriquí and in certain parts of Veraguas and Coclé.

In the lowlands the rainfall is enough almost everywhere to permit a crop of the great majority of annual crops cultivated in the country. It can be stated that in Panama there are no really arid regions.

On the Caribbean side and in the Darien region the climate is more humid and the rainfall is more evenly distributed throughout the year, but the density of populated areas is low and they are located in isolated or almost isolated enclaves.

There is a great variety of soils, ranging from the rich coastal plains of the districts of Alajé in Chiriquí and Antón in Coclé, to the alluvial deposits in the valleys of the numerous rivers, to volcanic soils in the highlands of Chiriquí, and to the red soils which predominate in a large part of the populated area on the Pacific side.

In the greatest part of the country the climate favors the existence of jungles which have frequently been destroyed in the populated regions in order to use the land for agriculture and cattle raising and to use the lumber for construction. At present, there is a lumber scarcity, not because of lack of the resources, but because of difficult access to the regions where it is found.

The destruction of the forests poses important problems in the populated zones, as this gravely affects the rivers and contributes to the erosion of lands which, in addition, are subjected to over grazing.

Fishing resources are considerable; shrimp fishing has been exploited industrially since 1950. However, there is still the possibility of extending this activity to new species and varieties of fish and shrimp. To state that the fishing potential is three times the present exploitation, would be no exaggeration.

Mining resources, as far as precious metals, were exhausted during colonial times, at least in easily accessible areas. Panama's present mining potential is in large part unknown, although deposits of bauxite and copper combined with molybdenum have been discovered. The determination of these deposits' economic capacity could give a more precise idea of their real possibilities and of their importance to the country's development.

PANAMA: PERFIL DEL DESARROLLO INTEGRAL^{a/}

I. FACTORES DEL ENTORNO EXTERNO		1960	1970	1971	1972	1973	1974	1975
A. Expectativas de vida								
1.	Tasa de mortalidad general (0/100)	8.3	7.1	6.7	6.0	5.8		
	(Rural)	(9.4)	(8.4)	(7.1)	(6.3)	6.3		
	(Urbano)	(6.8)	(5.5)	(6.2)	(5.6)	5.3		
2.	Tasa de mortalidad infantil (menores de un año/100)	57.3	40.5	37.6	33.8	33.3		
	(Rural)	(60.8)	(48.8)	(40.6)	(38.1)	39.2		
	(Urbano)	(53.1)	(29.8)	(34.2)	(28.6)	26.2		
B. Población y densidad								
1.	Tasa de natalidad (0/100)	39.9	37.1	37.2	36.0	33.2		
2.	Densidad de población (habitantes por K ²)	14.2	18.9					
3.	Población en centros urbanos (%)	42	48					
C. Condiciones de vivienda								
1.	Viviendas sin agua (%)	44	36					
	(Rural)	(74)	(67)					
	(Urbano)	(6)	(4)					
2.	Viviendas sin electricidad (%)	58	48					
	(Rural)		(84)					
	(Urbano)		(12)					
3.	Viviendas sin servicio sanitario (%)	38	28					
	(Rural)	(68)	(53)					
	(Urbano)	(4)	(3)					
4.	Viviendas con piso de tierra (%)	41	33					
5.	Habitantes por vivienda	4.8	4.9					
6.	Déficit de viviendas (000)		76					
7.	Población de la ciudad Panamá en "barriadas" y "casas de vecindad" (%)		40					

PAIS: PARAGUAY REGION: (Cont.)

	1960	1970	1971	1972	1973	1974	1975
D. Recursos Humanos							
1. Educación							
a. Alfabetización (%)		21 (35)					
(Rural)		(6)					
(Urbano)							
b. Nivel de educación de la población (7 años y más de edad - %)	100	100					
i. sin preparación alguna	26	21					
ii. primaria	58	59					
iii. secundaria	14	17					
iv. universitaria	2	3					
c. Tasa de cobertura primaria (%) 7 a 14 años	70	83					
d. Tasa de cobertura secundaria (%) 15 a 19 años	36	55		2.6	2.6	2.6	2.6 (6)
e. Número de escuelas (000)	1.5	2.2	2.4	2.6	2.6	2.6	2.6 (6)
f. Personal docente (000)	7.4	13.4	15.6	17.0	17.6	18.1	18.1 (6)
g. Matrícula (primaria, secundaria, universitaria y otros; 000)	211.5	332.9	400.3	437.1	467.2	491.4	491.4 (6)
2. Salud							
a. Número de hospitales	19	24	25	27	28	27	27
b. Número de clínicas y centros de salud	42	44	60	74	88	97	97
c. Número de camas	4340	4974	5230	5665	5731	5780	5780
d. Número de médicos	401	857	1006	1070	1121	1316	1316 (6)
e. Número de dentistas		164	156	155	167	210	210 (6)
f. Número de enfermeras	647	1012	948	1059	1063	1126	1126 (6)
g. Nacimientos vivos con asistencia profesional (%)	53 (7)	65	68	68	69		
(Rural)	(26)(6)	(46)	41	42	44		
(Urbano)	(94)(6)	(97)	97	97	98		
h. Defunciones por infecciones intestinales y parásitos (%)	11(6)	8	7	7	7		
3. Nutrición							
Porcentaje de la población con:							
a. Menos que 10% de las proteínas y calorías requeridas	15						
b. Deficiencia en aminoácidos (Menores de 4 años)			16	16	0		
c. Deficiencia de hierro			(18)	(18)	(6)		
d. Deficiencia de calcio			36	36	13		
			41	41	20		

	TOTAL			1967			
				RURAL		URBANO	

PLAN DE DESARROLLO NACIONAL (Cont.)

	1960	1970	1971	1972	1973	1974	1975
II. INDICADORES DEL DESARROLLO SOCIO-ECONOMICO							
A. Empleo							
1. Tasa de desocupación	9.1	7.1	7.6	6.8	7.0	6.7	5.8
Resto de la República	(4.8)	(4.2)	(5.2)	(4.8)	4.7	4.0	4.0
Gran Metropolitaná	(24.4)	(9.8)	(9.7)	(8.5)	8.9	7.1	7.1
2. Tasa de participación (población 15 años y más de edad)	57.8	61.3	60.7	60.2	59.7	59.5	59.5
(Hombres)	(67.7)	(84.1)	(84.1)	(85.3)			
(Mujeres)	(35.4)	(35.4)	(33.5)	(52.5)			
B. Producción, Salarios e Ingresos							
1. Índice de precios al consumidor (1960=100.0)		111.9	114.2 (R)	120.3	128.6	170.2	177.2
2. Índice de precios al por mayor (1960=100.0)		112.0	117.1	123.1	131.6	184.9	200.8
3. Índice de salarios medios mensuales de empleados		145.2	150.4	150.2	157.3		
Salarios y Salarios (1961 = 100.0)		148.9	160.4	165.5			
4. Índice de productividad media real (1960 = 100.0)							
C. Distribución del Ingreso y la Riqueza							
1. Distribución de las rentas por un ingreso por habitante							
a. Mayor que \$200 ("Umbral de pobreza" establecido por el Gobierno)	37	(58)					
(Rural)	(18)						
(Urbano)	(8)						
b. Entre \$100 y \$200 ("Ingresos moderados" establecidos por el Gobierno)	45	(35)					
(Rural)	(53)						
(Urbano)	(40)						
(% del ingreso total)							
2. Distribución de la tierra							
a. % de las fincas con 100 ha. o más	3						
b. % del área en fincas con 100 ha. o más	46						
D. Ingreso Nacional Per Cápita: 1960.							
1. P.I.B. a precios de mercado Per Cápita	374	625	658	675	740	879	
2. Contribución del sector agropecuario (%)	39.8	38.6	38.6	38.6	38.6	38.6	
3. Coeficiente de inversión	23.0	18.0	17.2	16.6	16.2	15.5	
4. Exportaciones de bienes y servicios como % del PIB	16.3	26.4	24.8	24.4	23.1	23.7	
5. Importaciones de bienes y servicios como % del PIB	30.6	37.3	37.3	35.5	35.1	39.3	
6. Inversión pública como % de la inversión total	35.8	40.6	41.2	40.9	40.7	52.4	
7. Crecimiento del PIB (en % de 1960)	16.8	24.5	21.6	31.1	25.0	37.5	
	—	8.1 d/	1.7	6.3	6.5	3.5	

PAQUA: ESTADÍSTICA DE DESARROLLO INTEGRAL (CONT.)

	1960	1970	1971	1972	1973 ^{b/}	1974	1975
E. Infraestructura Económica							
1. Capacidad instalada (000 kW)		166.6	171.7	233.4	---	7.1	---
2. Longitud de la red vial (000 km)	3.6	6.8	6.9	7.0	7.1	7.9 (6)	---
3. Número de teléfonos por cada 100 habitantes		5.8	6.8	7.0	7.4	---	---
F. Finanzas Públicas							
1. Gasto público como % del PIB	13.9	20.8	20.2	26.8	31.4	24.0	---
a. Consumo	11.2	15.3	15.2	14.8	14.5	15.6	---
b. Inversión	2.7	6.5	6.0	12.0	7.4	8.9	---
2. Ingresos Ordinarios del Gobierno Nacional como % del PIB	13.9	15.4	15.2	15.2	15.3	15.6	---
a. Tributarios	10.7	12.3	12.4	12.0	11.3	12.1	---
i. Directos	3.3	5.9	6.0	5.4	5.6	5.8	---
ii. Indirectos	7.4	6.3	6.4	6.6	6.2	6.3	---
b. Otros	3.3	3.0	3.2	3.3	3.6	3.5	---
3. Servicio de la deuda del Gobierno Nacional como % de los Ingresos Ordinarios e	8.1	16.2	20.2	20.0	21.6	23.2	---
4. Deuda del Gobierno Nacional como % del PIB	21.0	27.3	28.4	31.2	32.9	33.9	---
G. Balanza de Pagos							
1. Crecimiento de las exportaciones de bienes y servicios	---	12.3 d/	12.1	11.8	11.9	13.3	---
2. Crecimiento de las importaciones de bienes y servicios	---	10.7 d/	11.7	11.3	12.0	14.3	---
3. Déficit en cuenta corriente como % del PIB	7.5	6.1	6.4	7.5	8.1	---	---
H. Sistema Bancario							
1. Depósitos internos como % del PIB	19.1	29.3	35.3	44.2	42.5	44.5	---
2. Crédito interno como % del PIB	22.8	40.3	48.6	58.9	63.6	73.4	---
3. Crédito interno a la agricultura e industria (%)	11.9	16.5	15.9	14.4	13.7	14.2	---
4. Crédito interno a construcción y vivienda (%)	7.1	13.2	14.3	15.6	17.7	20.4	---

a. En los casos en que el texto presenta datos extensos, el presente cuadro solamente da algunos indicadores importantes.

b. Datos provisionales o estimados

c. Incluye compra de la Compañía de Fuerza y Luz.

d. Tasa media anual 1960-69.

e. Excluye refinanciamientos.

f. Se excluye los residentes en caseríos netamente indígenas.

(r) Cifras revisadas

Fuente: OEA por Secretaría de CEPICIS, "Sitacuón, principales problemas y perspectivas del Desarrollo económico y social de Panamá. Agosto 12-15, 1974, Washington. (Actualizado a Mayo, 1975 por la Oficina de Estadística)

Chart No. 1

REPUBLIC OF PANAMA

HEALTH MINISTRY

GROWTH OF GROSS NATIONAL PRODUCT IN MARKET PRICES

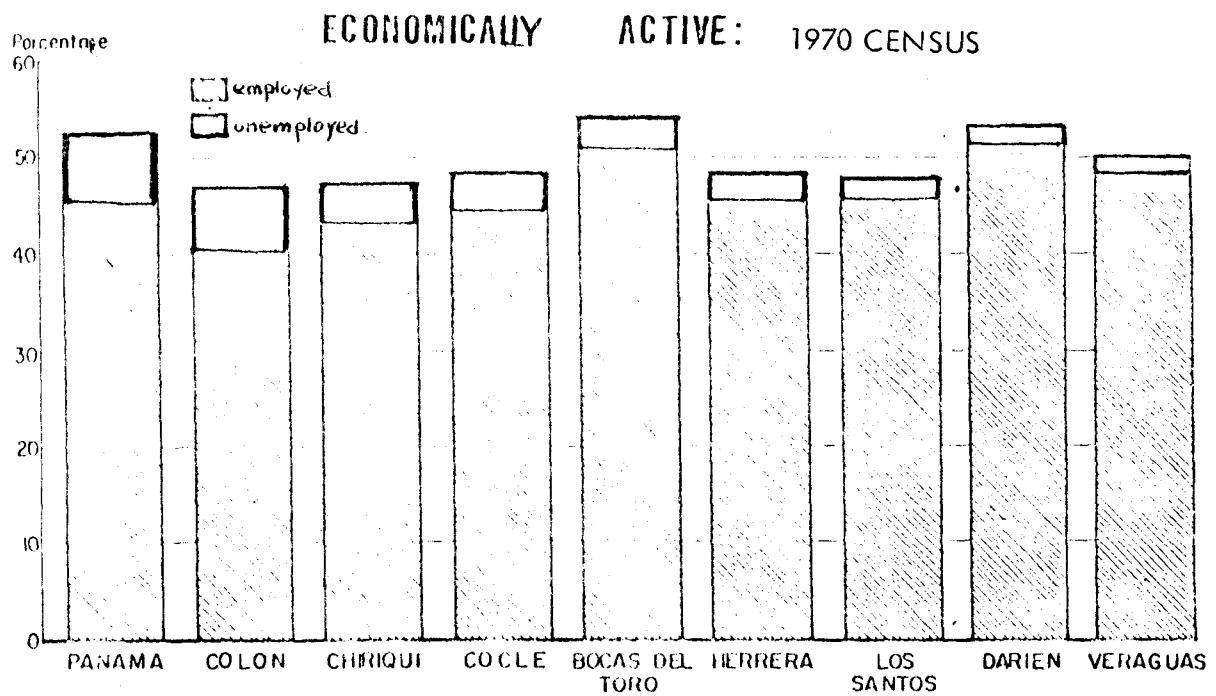
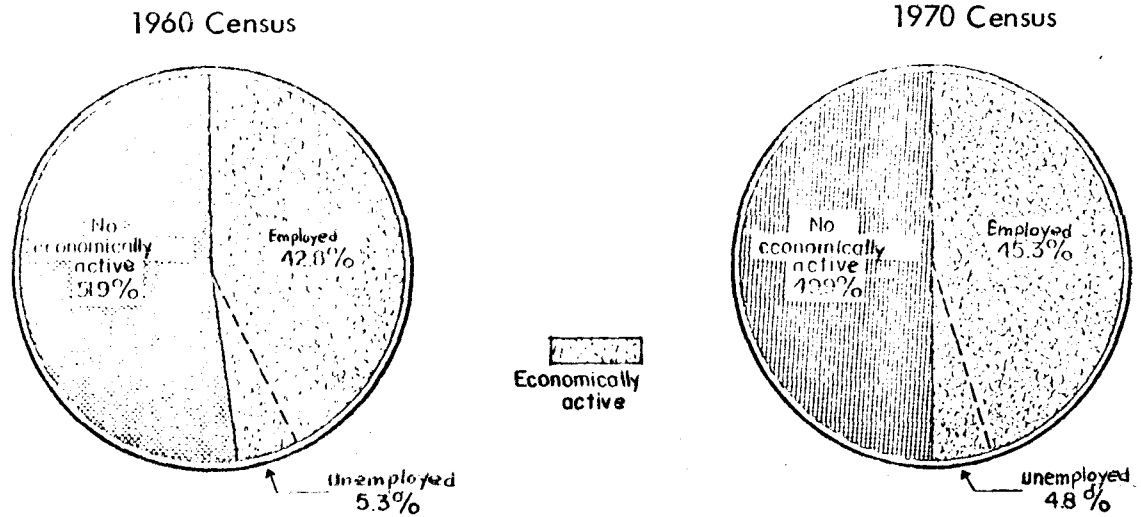
1950 TO 1973



Source: Health Ministry. Año Mundial de la Población, 1974.

Chart No. 2

TYPE OF ACTIVITY OF THE REPUBLIC'S POPULATION

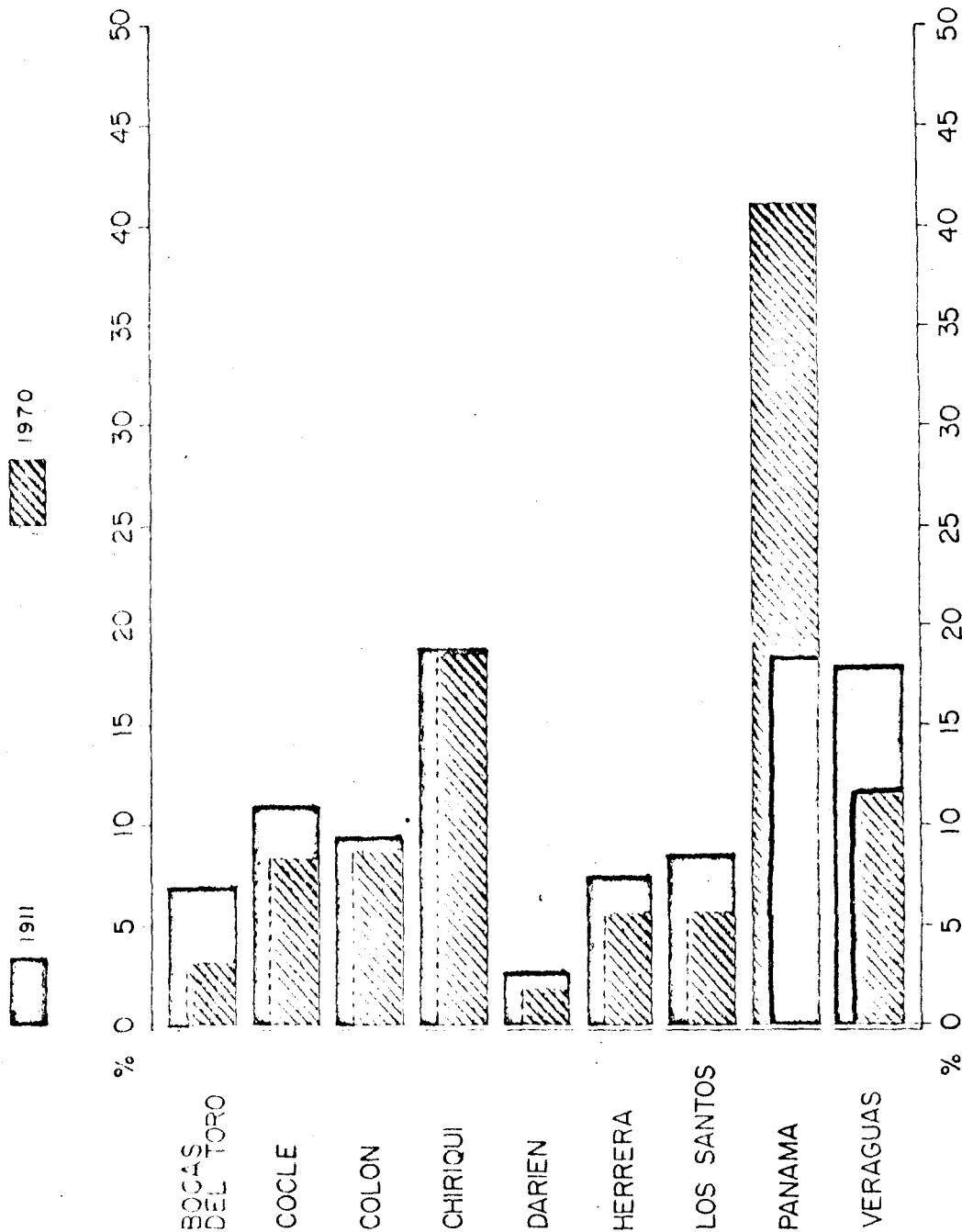


Source: Censos Nacionales de 1970; Compendio General de Población; Statistics and Censuses Bureau, Republic of Panama.

Chart No. 3

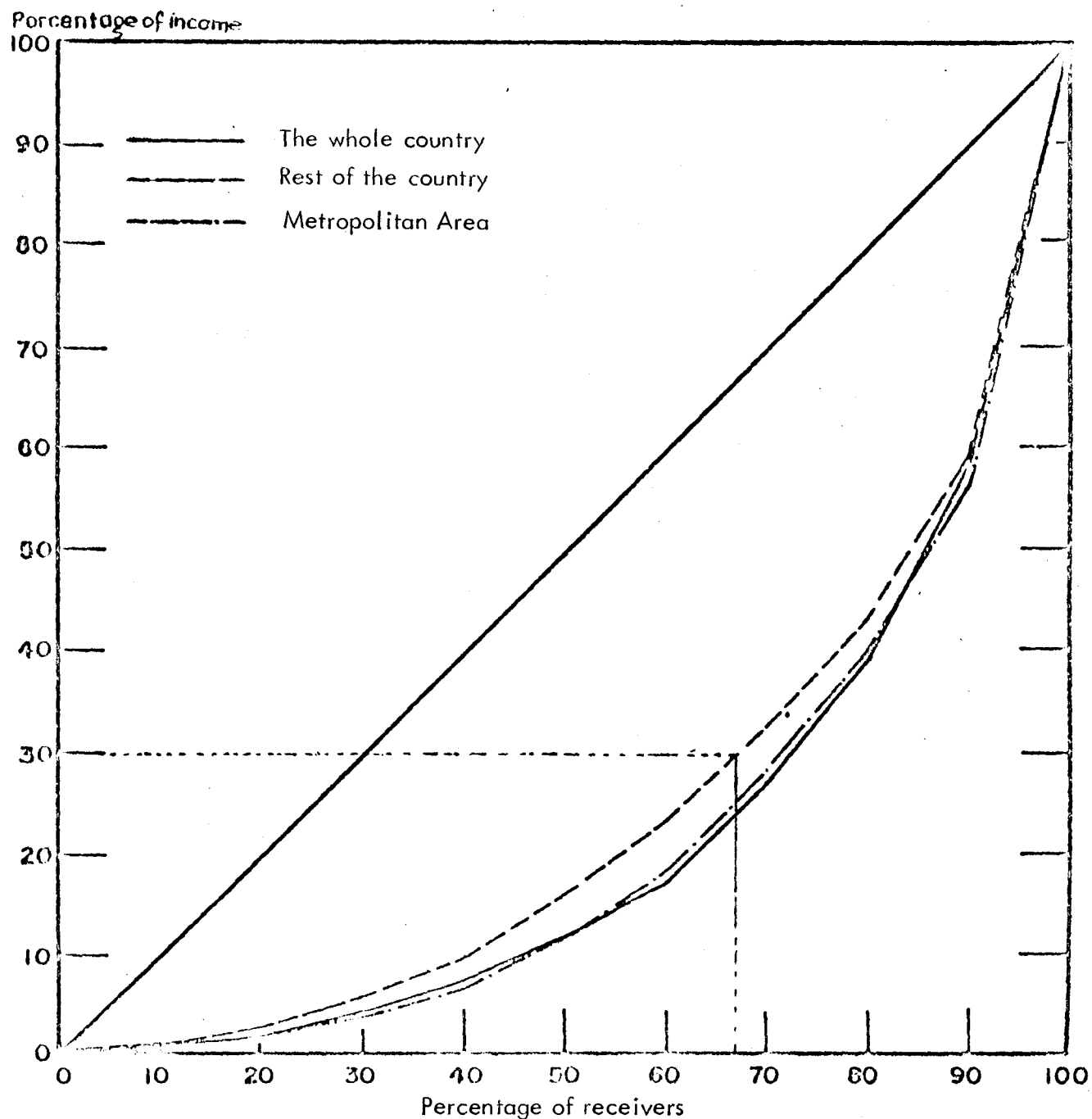
REPUBLIC OF PANAMA MINISTRY OF HEALTH

POPULATION DISTRIBUTION IN THE REPUBLIC OF PANAMA BY
PROVINCES: 1911 AND 1970 CENSUSES



Source: Health Ministry. Panamá en el Año Mundial de la Población, 1974.

Chart No. 4
TOTAL INCOME IN THE REPUBLIC, BY AREAS:
1970



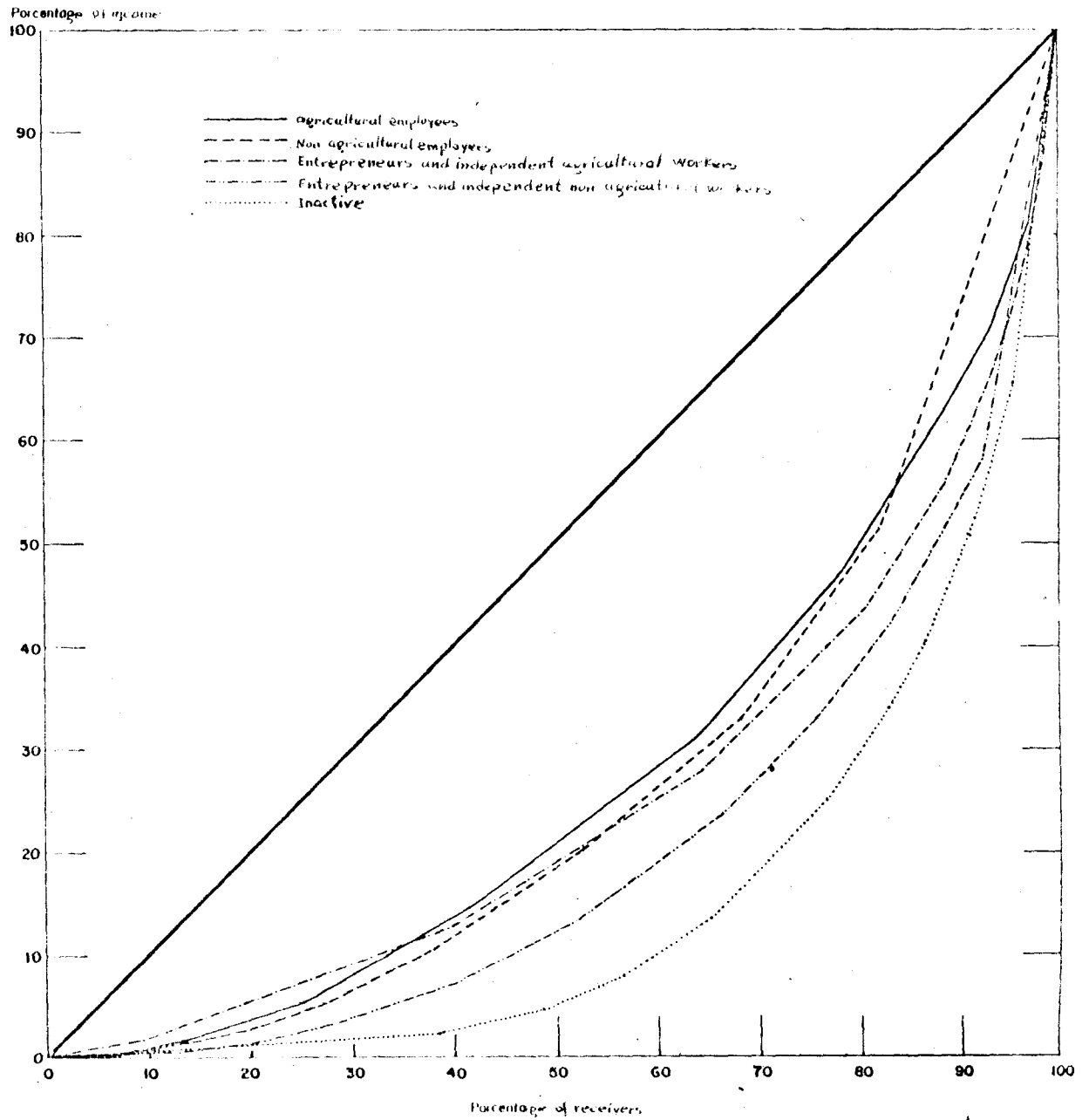
In the metropolitan area 67% of the people receive 30% of the income. 70% of the income is concentrated in 33% of the receivers.

The graph shows this situation, the situation in the rest of the country and of the whole country.

Source: Encuesta Especial sobre ingresos a través de los hogares, año 1970.

Chart No. 5

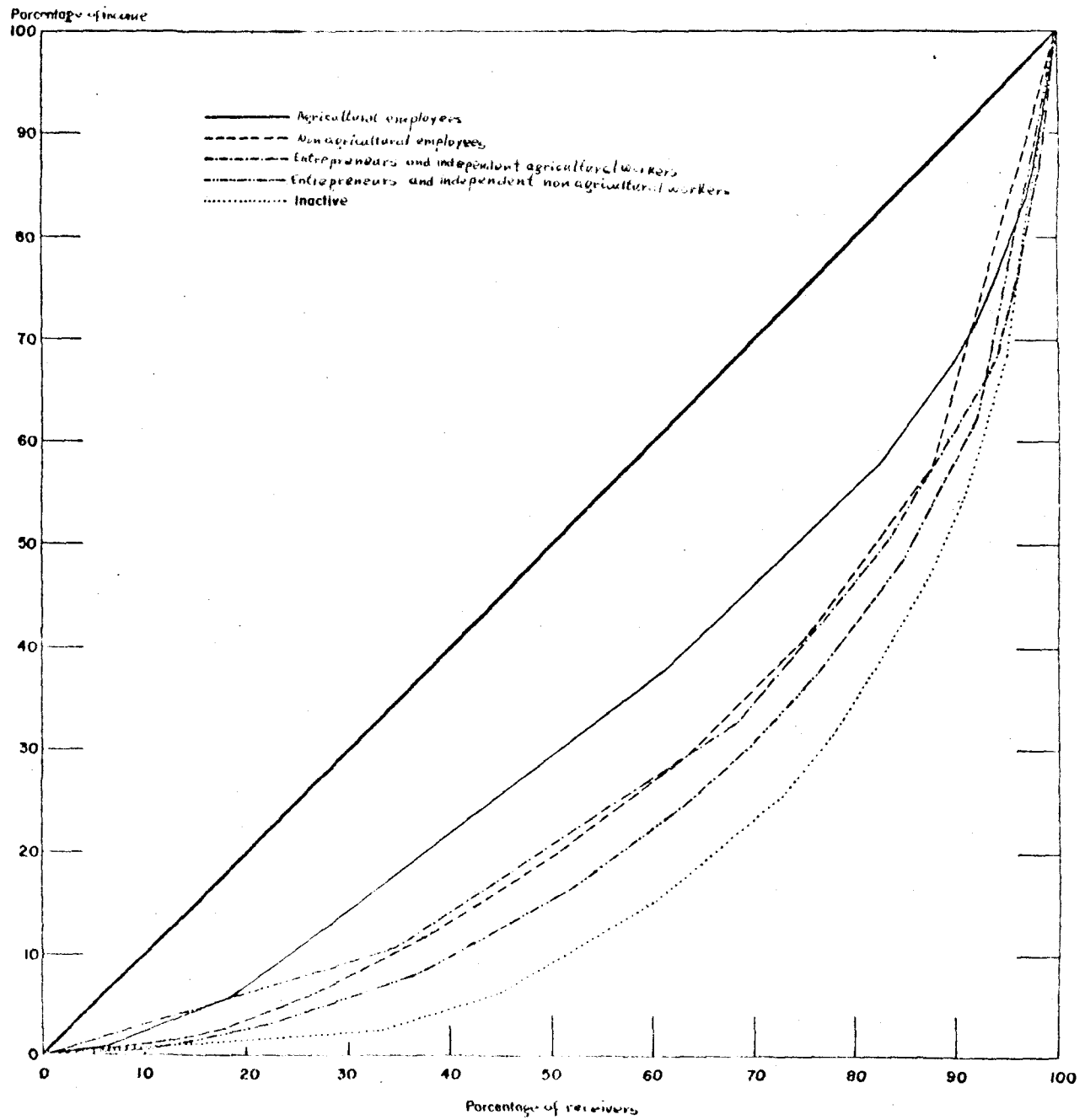
COUNTRY'S TOTAL INCOME BY TYPE OF RECEIVER:
1970



Source: Encuesta Especial sobre Ingresos a través de los Hogares, Año 1970.
Statistics and Census Bureau.

Chart No. 6

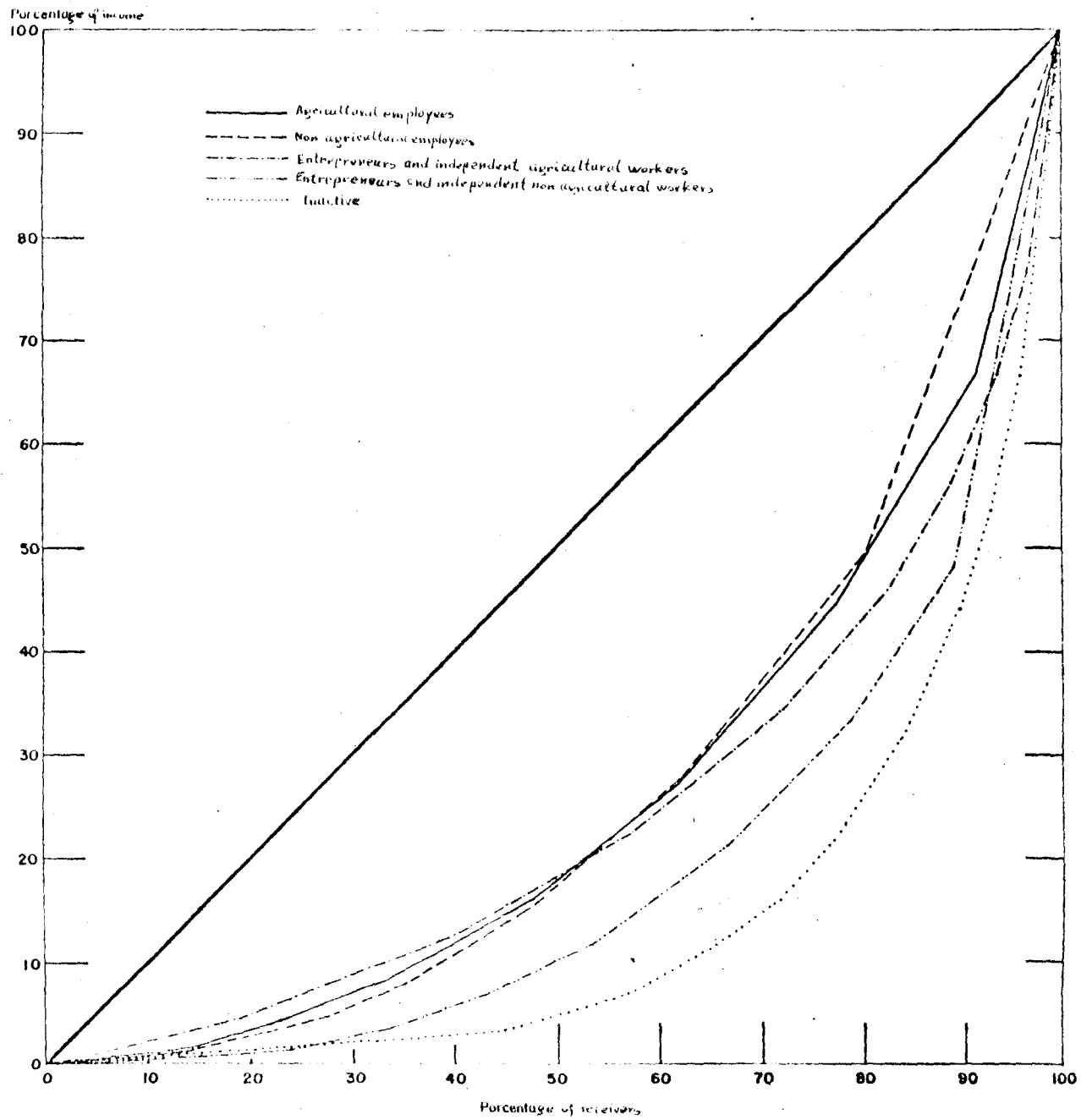
METROPOLITAN AREA'S TOTAL INCOME BY TYPE OF RECEIVER: 1970



Source: Encuesta Especial sobre Ingresos a través de los Hogares, año 1970.
Statistics and Census Bureau.

Chart No. 7

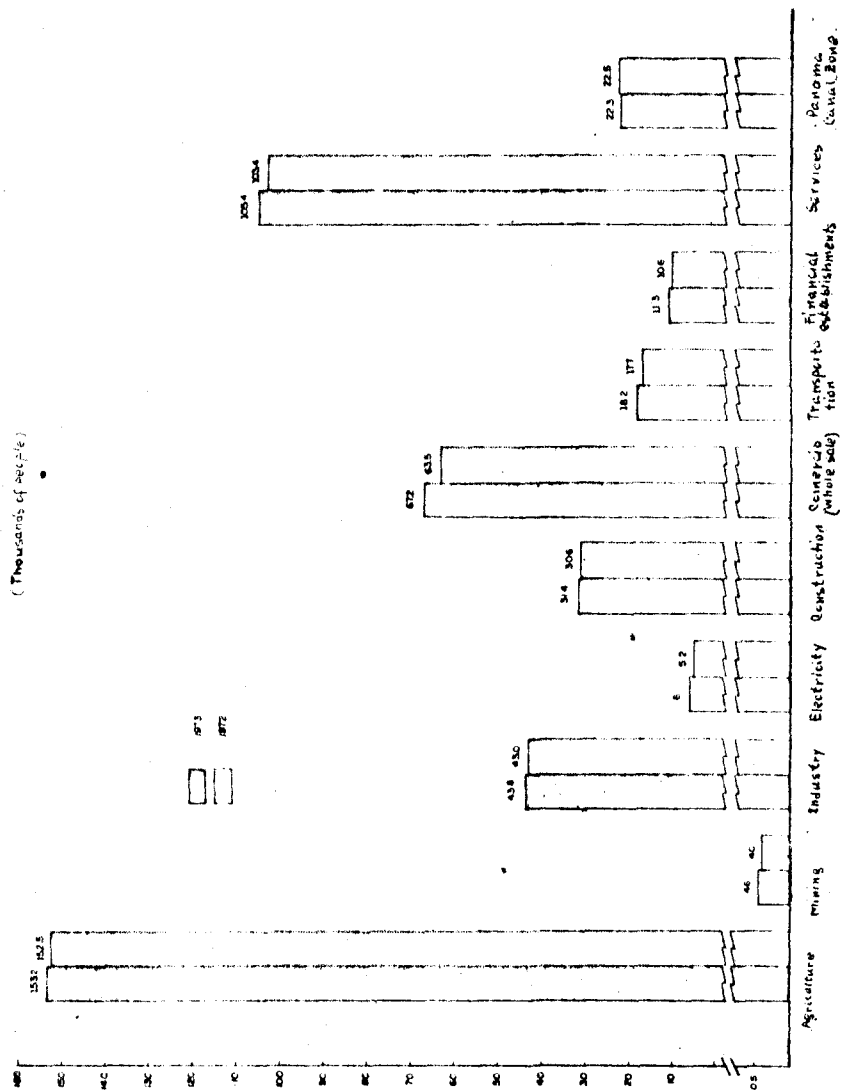
REST OF THE COUNTRY'S TOTAL INCOME BY TYPE OF
RECEIVER: 1970



Source: Encuesta Especial sobre Ingresos a través de los Hogares, Año 1970.
Statistics and Census Bureau.

Chart. No. 8

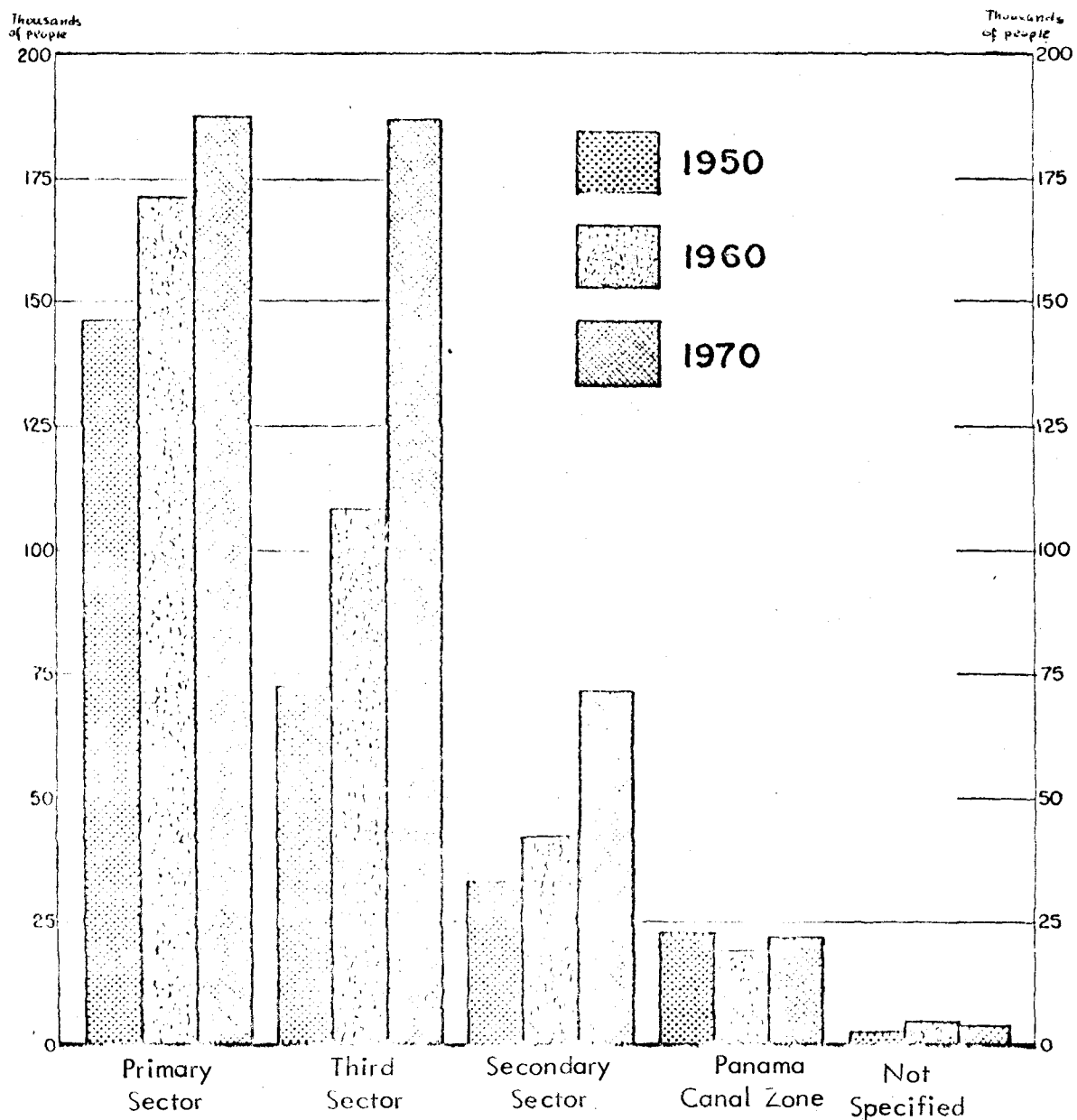
OCCUPATIONAL LEVEL BY ECONOMIC SECTORS. 1972 AND 1973



Source: Informe Económico 1974. Planning and Economic Policy Ministry.

Chart No. 9

ECONOMICALLY ACTIVE POPULATION ACCORDING TO ECONOMIC ACTIVITY, IN THE COUNTRY: 1950 TO 1970 CENSUS



Primary sector: Agriculture, hunting, forestry, fishing.

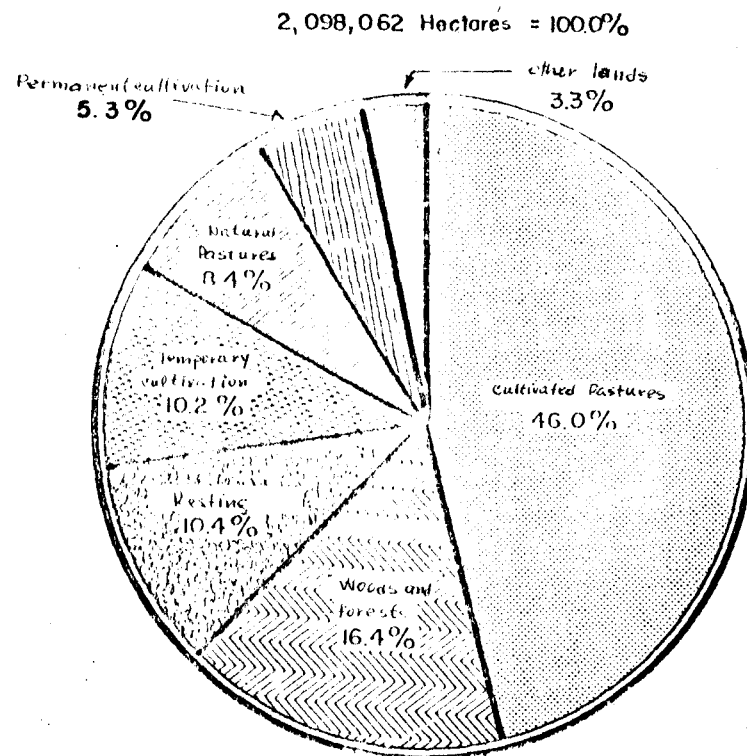
Secondary Sector: Mining and quarrying; manufacturing industries; electricity, gas and water; construction.

Third Sector: Whole sale and retail commerce, restaurants and hotels; transportation, storage and communications; Financial establishments and services to companies; communal, social and personal services.

Source: Censos Nacionales de 1970; Compendio General de Población.
Statistics and Censuses Bureau. Republic of Panama.

Chart No. 10

LAND USE IN AGRICULTURAL AND CATTLE EXPLOITATION, IN
THE REPUBLIC: 1970



AGRICULTURAL AND CATTLE EXPLOITATION TENURE:
IN THE REPUBLIC: 1970

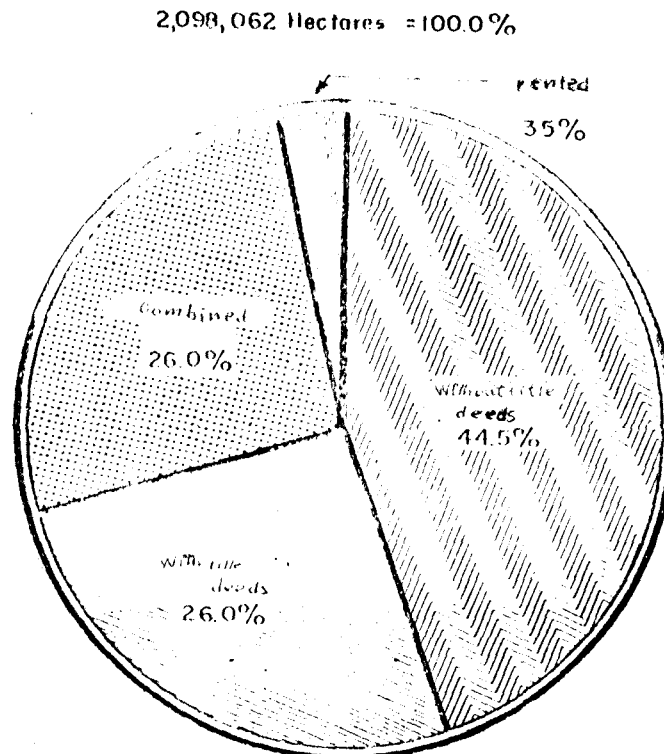


Chart No. 11

REPUBLIC OF PANAMA

HEALTH MINISTRY

PROPERTY ACCOUNT AND FINANCING OF PANAMA'S BALANCE OF
PAYMENTS: 1955 TO 1972

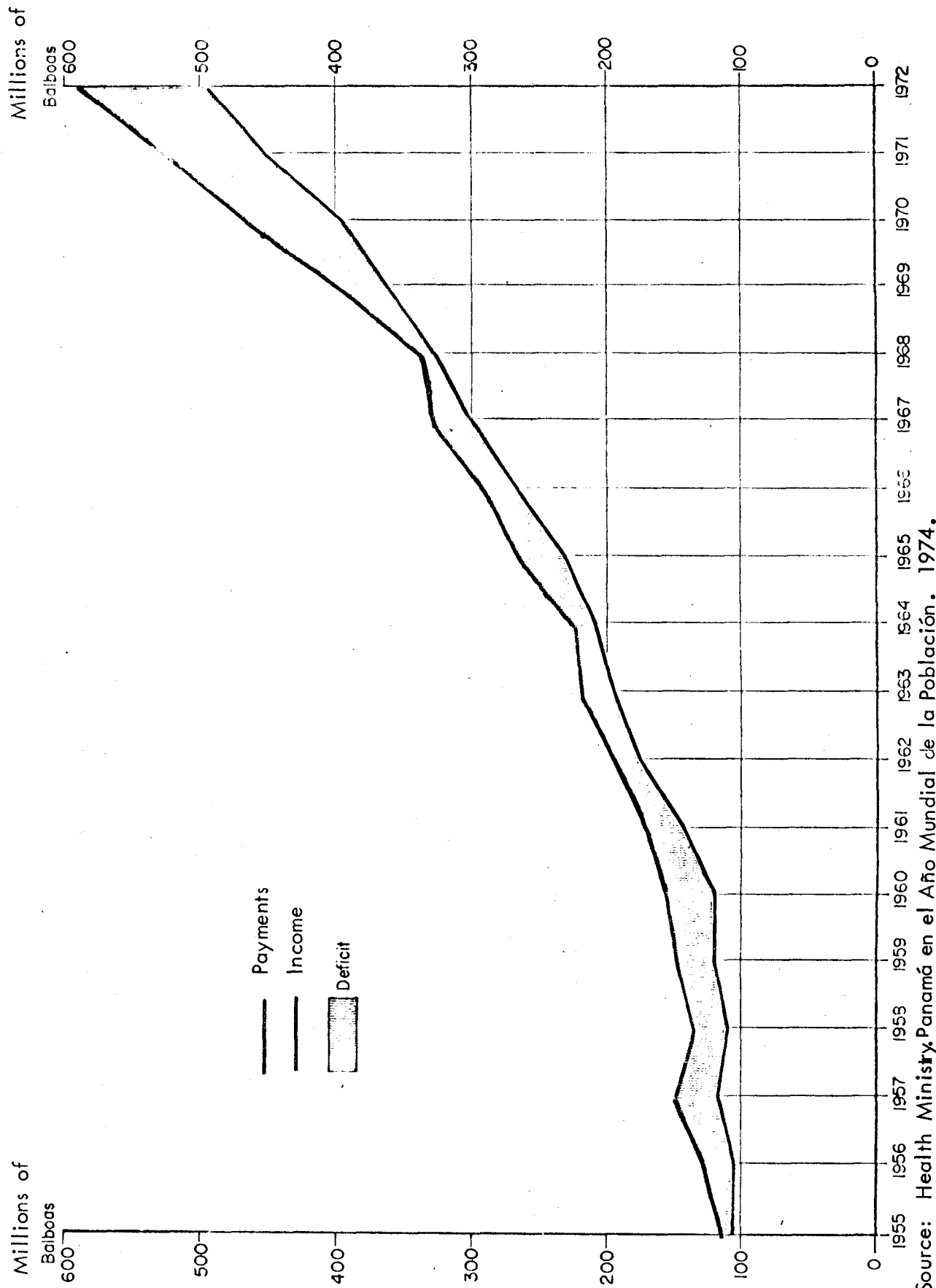


Chart No. 12
Export: Main Products
1964 to 1973

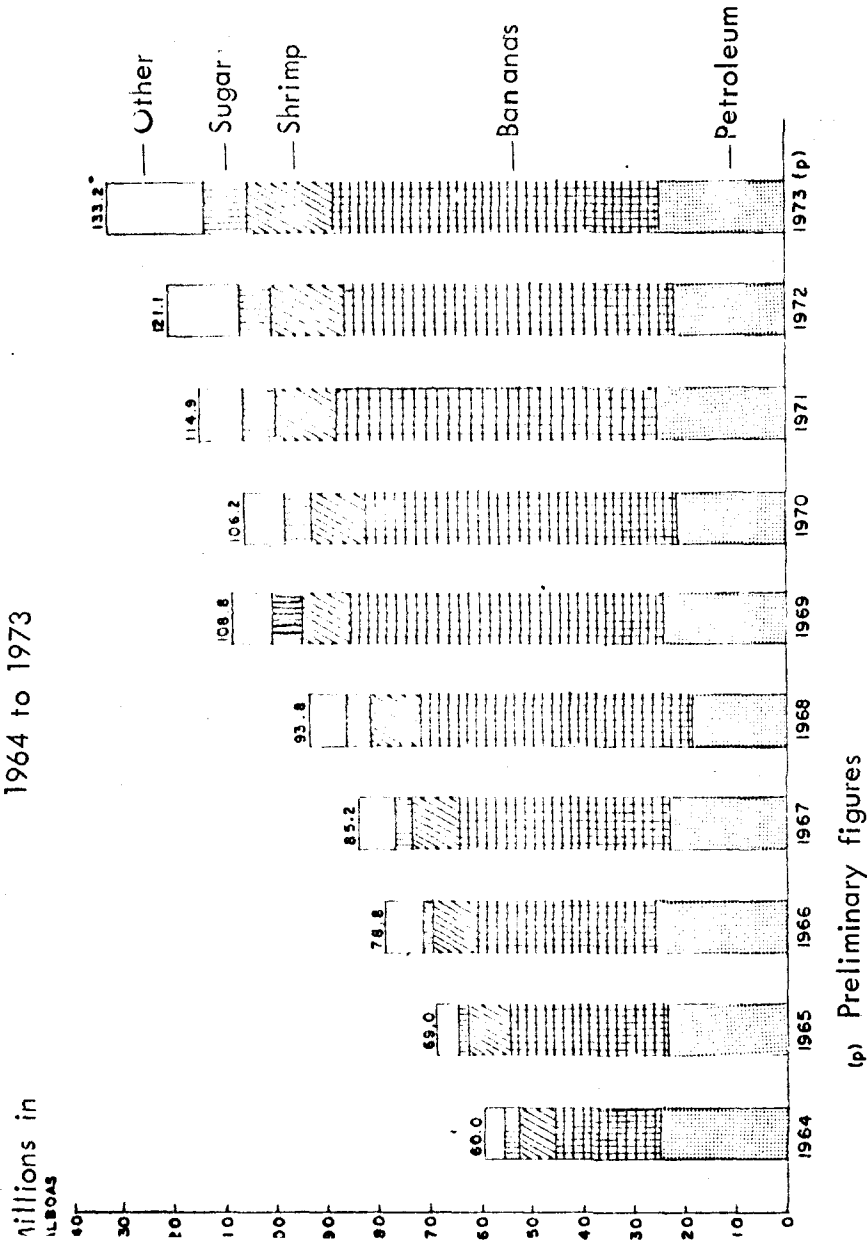
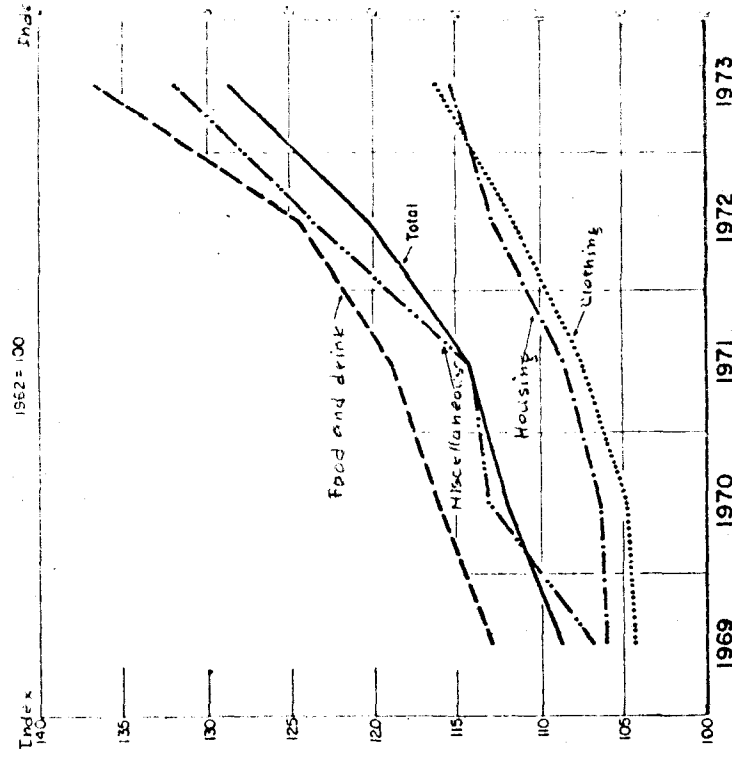


Chart No. 12A

PRICE INDEX TO THE CONSUMER FOR
LOW AND MIDDLE INCOME FAMILIES BY
COMMODITIES AND SERVICES IN PANAMA
CITY

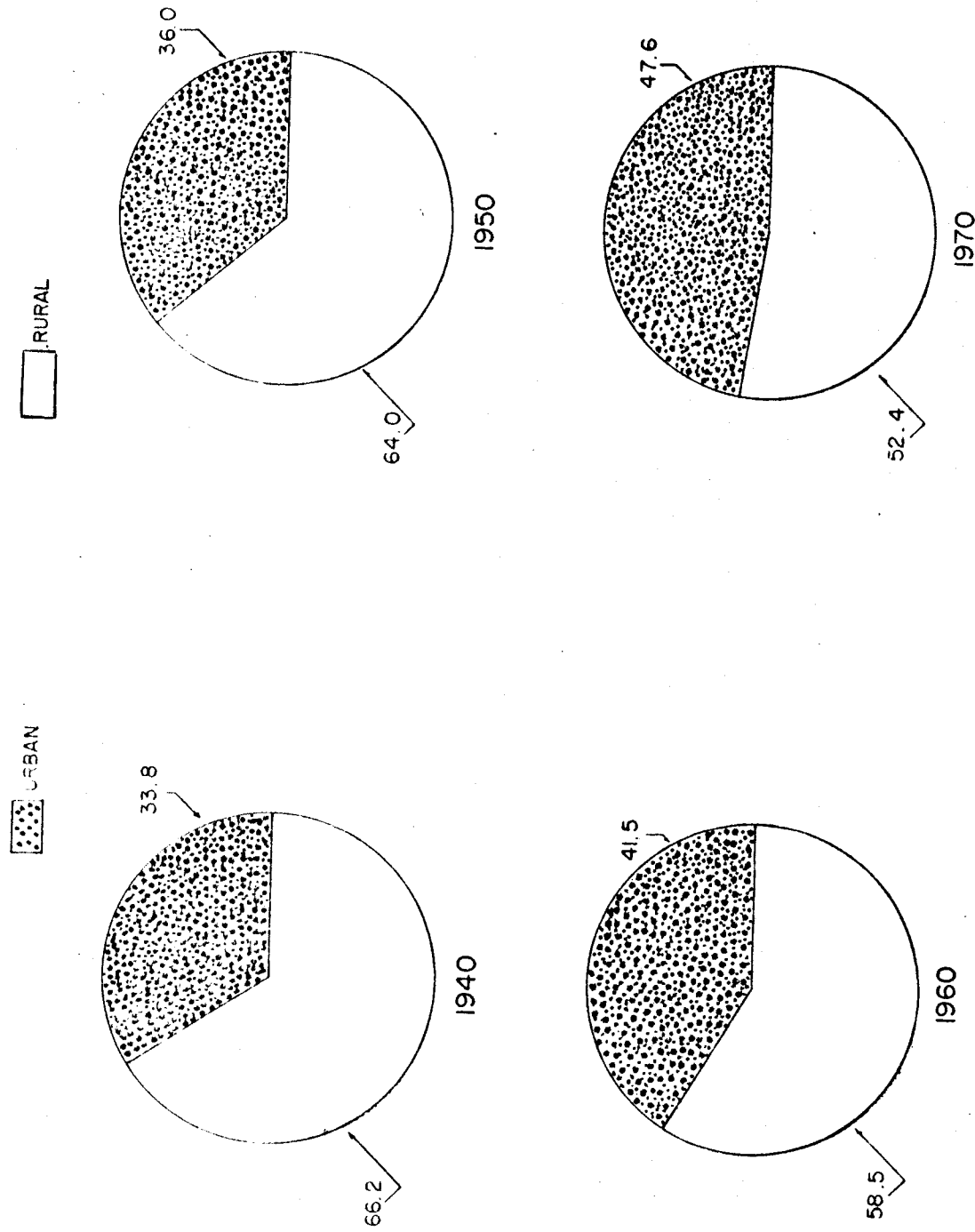


Source: Informe Económico 1974. Planning and Economic Policy Ministry.

REPUBLIC OF PANAMA

HEALTH MINISTRY

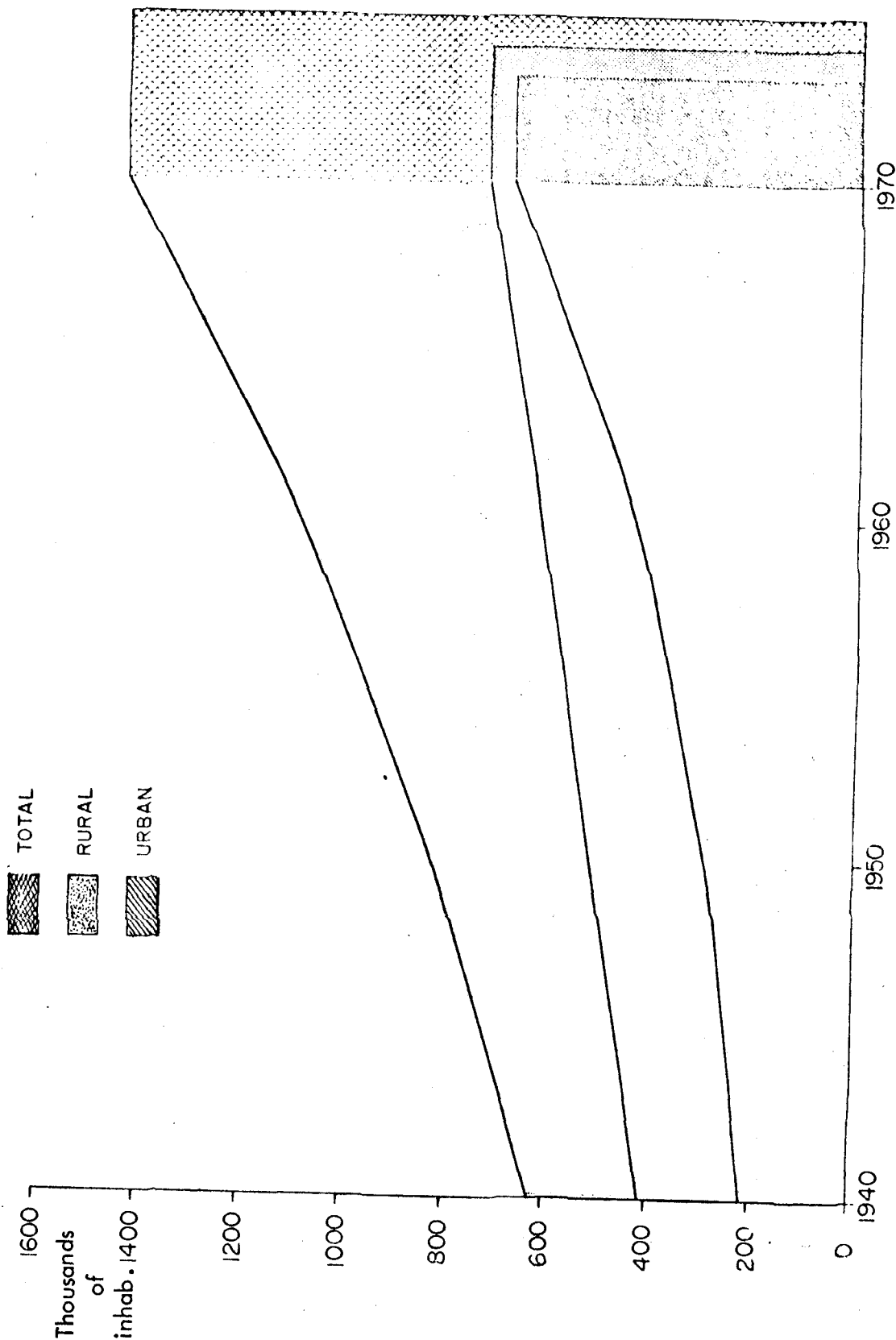
POPULATION OF THE REPUBLIC OF PANAMA BY URBAN AND RURAL
AREAS: - CENSUS 1940 - 1950 - 1960 & 1970



Source: Health Ministry. Panamá en el Año Mundial de la Población. 1974.

REPUBLIC OF PANAMA HEALTH MINISTRY

TOTAL URBAN AND RURAL POPULATION GROWTH IN THE REPUBLIC OF PANAMA: 1940 1970

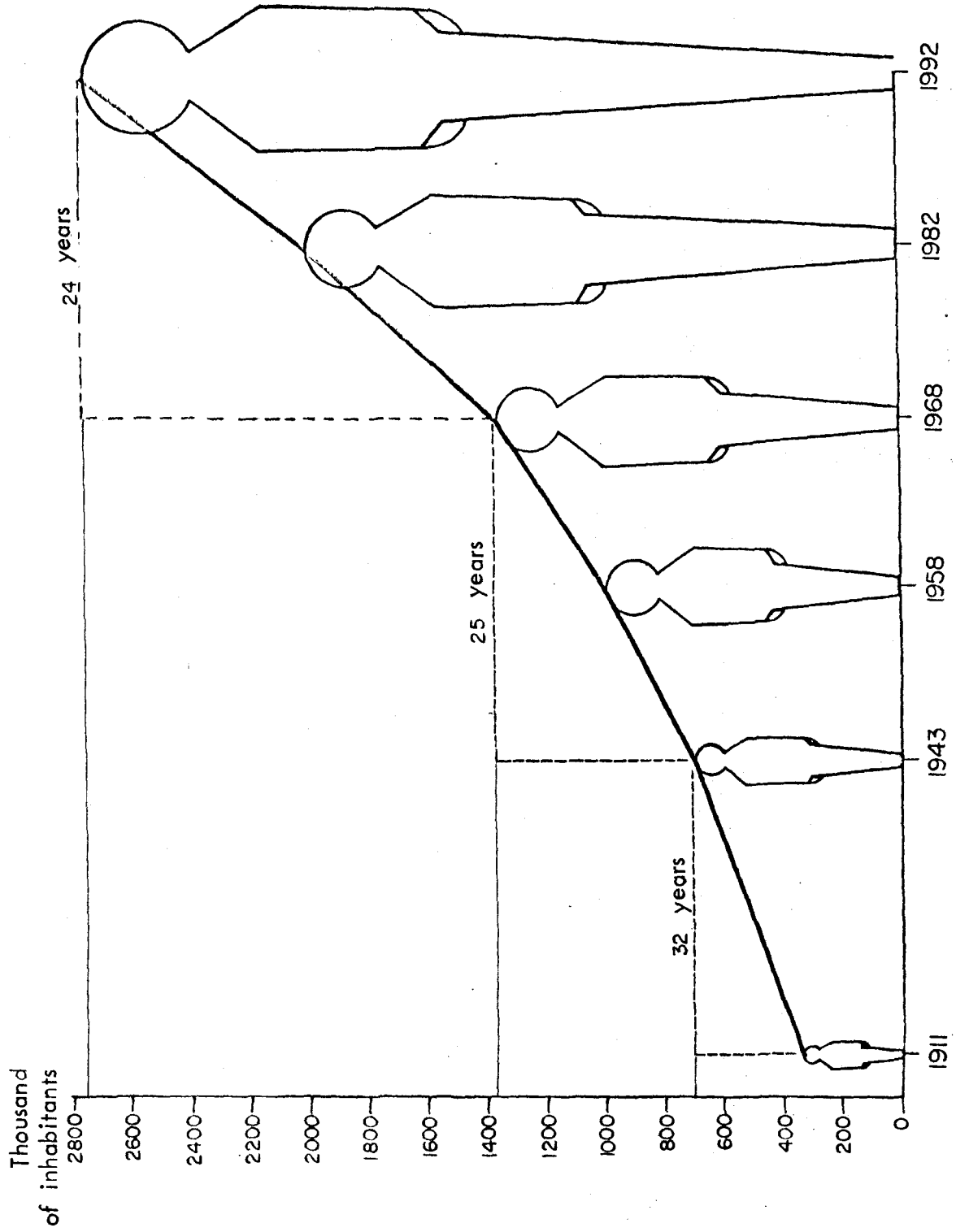


Source: Health Ministry - Panamá en el Año Mundial de la Población. 1974.

REPUBLIC OF PANAMA

HEALTH MINISTRY

GROWTH OF THE PANAMANIAN POPULATION AND PERIODS IN WHICH IT
1911 TO 1992
 HAS DOUBLED:



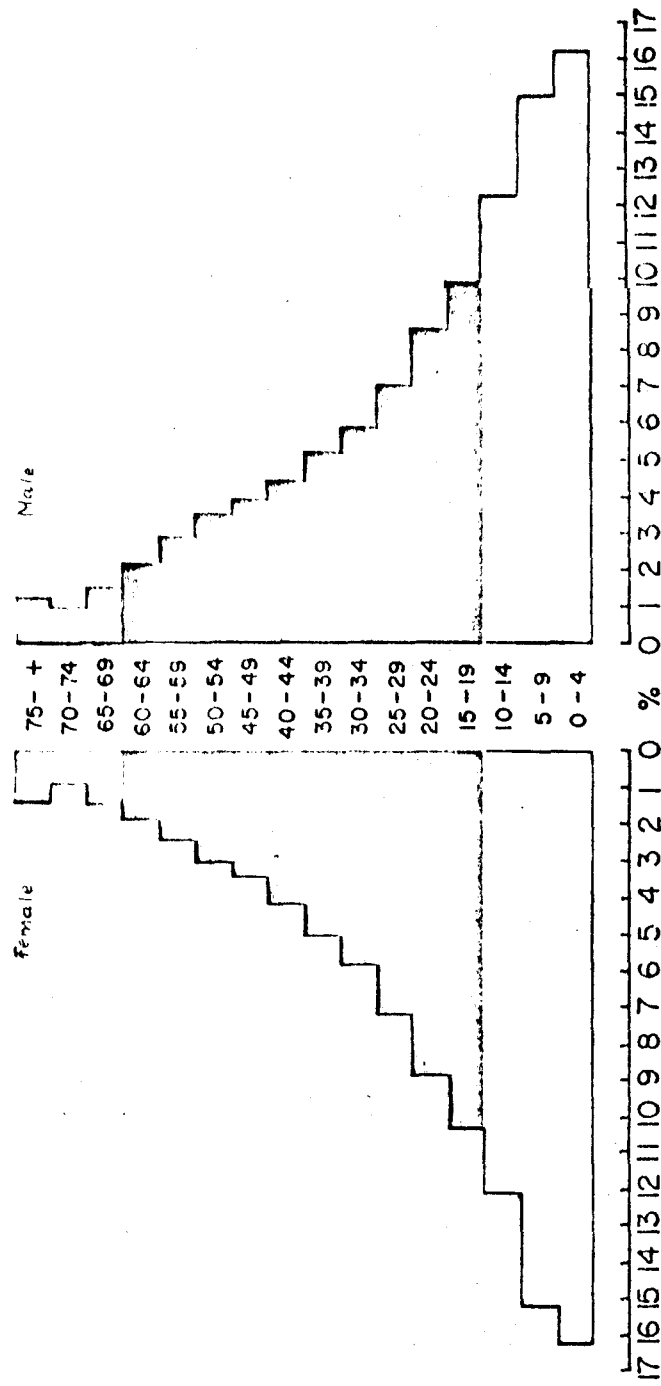
Source: Health Ministry. Panamá en el Año Mundial de la Población. 1974.

Chart No. 16

REPUBLIC OF PANAMA

MINISTRY OF HEALTH

SEX AND AGE OF THE POPULATION OF THE REPUBLIC OF PANAMA:
1970 CENSUS



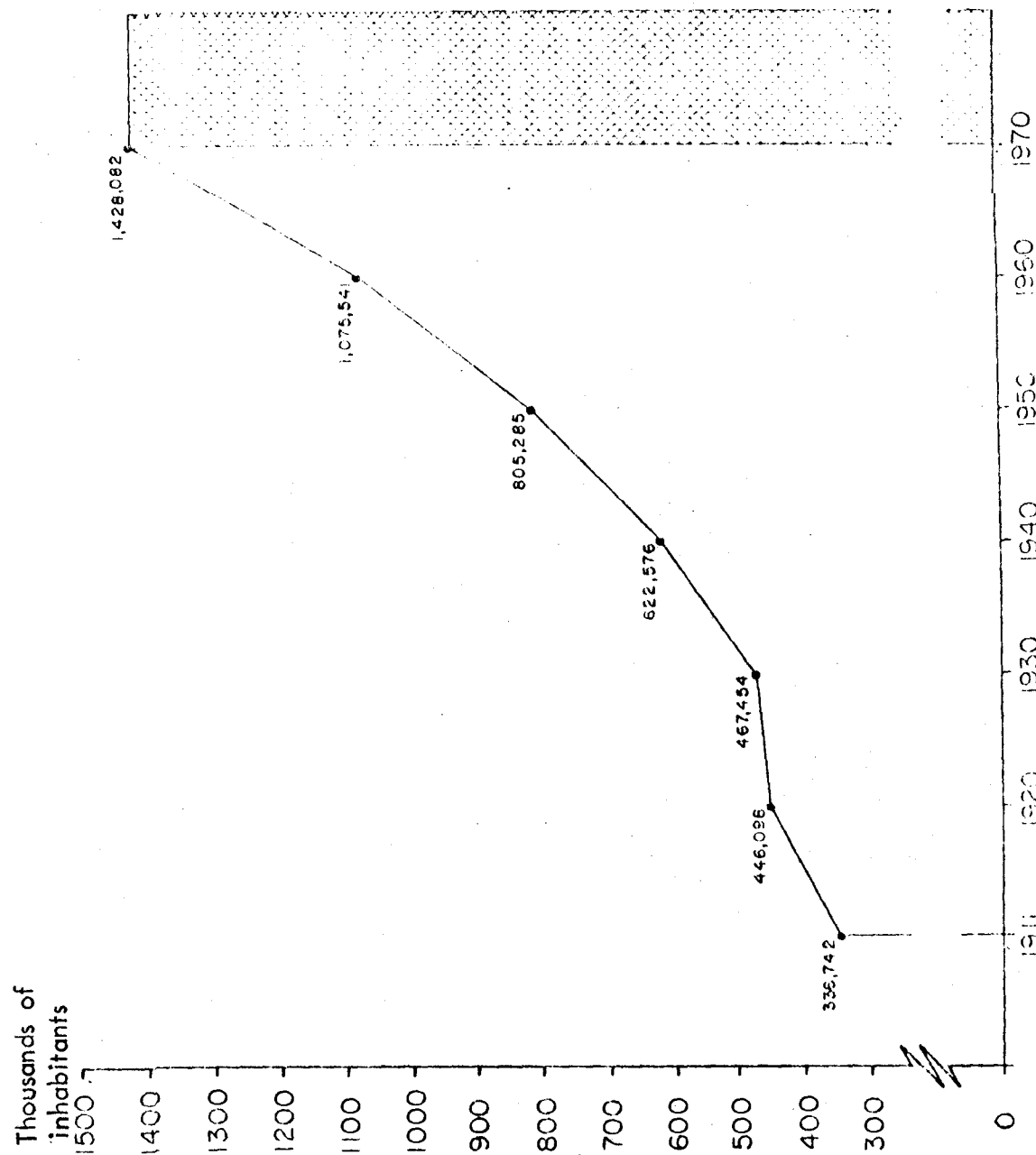
Source: Health Ministry, Panamá en el Año Mundial de la Población 1974.

Chart No. 17

REPUBLIC OF PANAMA

HEALTH MINISTRY

POPULATION GROWTH IN THE REPUBLIC OF PANAMA: 1911 TO 1970 CENSUS



Source: Health Ministry. Panama en el Año Mundial de la Población

Chart N° 18

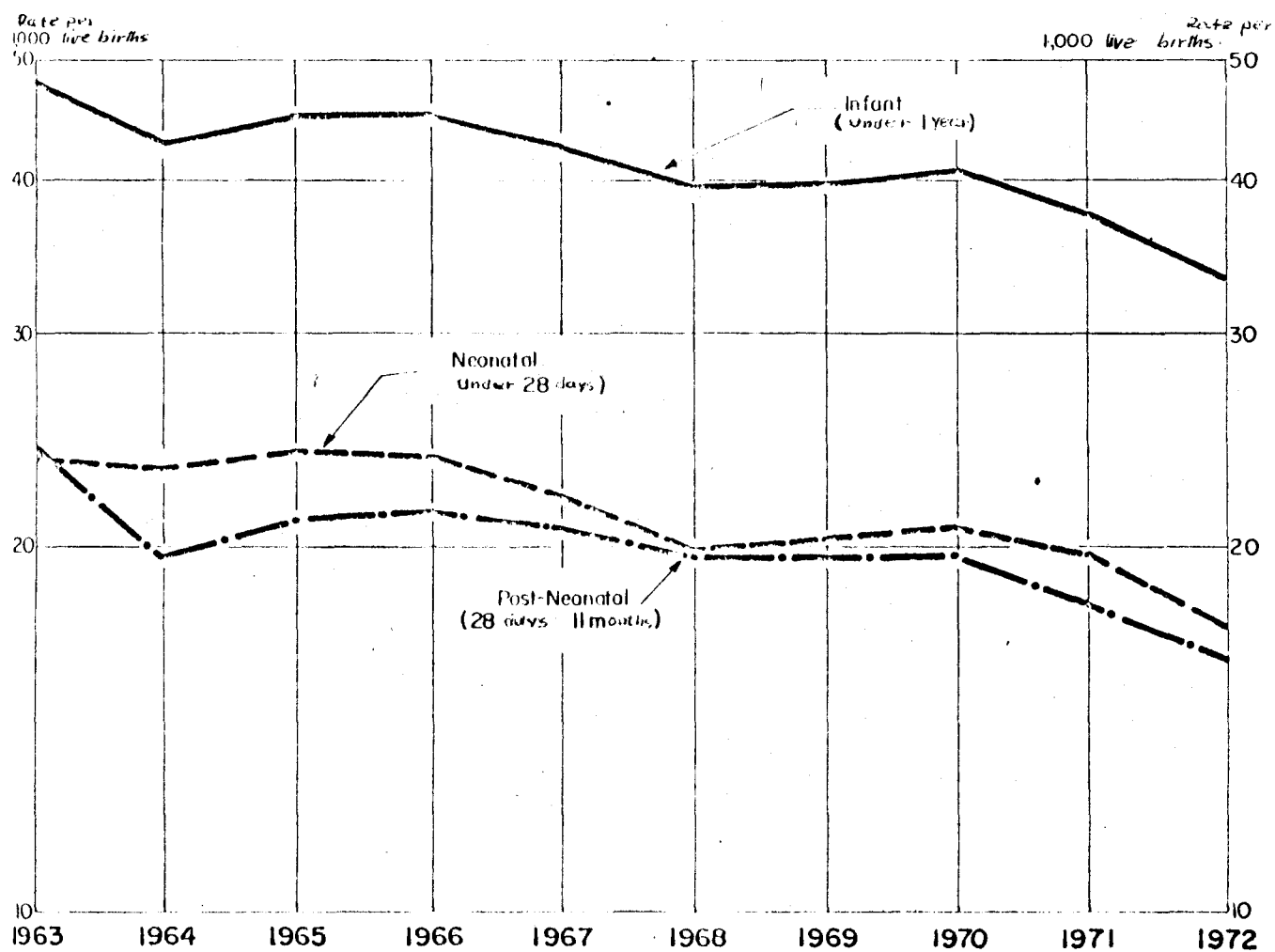
BIRTH, DEATH AND NATURAL GROWTH RATES IN 1973

Province	Total Population	Births	Total Deaths	Birth Rate (2/1)1000	Death Rate (3/1)1000	Natural Growth	
						Total (2) - (3)	Rate (6)(1) X 1,000)
TOTAL	<u>1.570.100</u>	<u>53.363</u>	<u>9.243</u>	<u>34.0</u>	<u>5.9</u>	<u>44.120</u>	<u>28.1</u>
City of Panama	<u>381.840</u>	<u>11.157</u>	<u>1.967</u>	<u>29.2</u>	<u>5.2</u>	<u>9.190</u>	<u>24.0</u>
City of Colon	<u>70.640</u>	<u>2.072</u>	<u>526</u>	<u>29.3</u>	<u>7.4</u>	<u>1.546</u>	<u>21.9</u>
Bocos de Toro	<u>47.940</u>	<u>2.054</u>	<u>340</u>	<u>42.8</u>	<u>7.1</u>	<u>1.714</u>	<u>35.7</u>
Coclé	<u>127.670</u>	<u>4.897</u>	<u>820</u>	<u>38.4</u>	<u>6.4</u>	<u>4.077</u>	<u>31.9</u>
Colón	<u>145.570</u>	<u>4.532</u>	<u>1.022</u>	<u>31.1</u>	<u>7.0</u>	<u>3.510</u>	<u>24.1</u>
Chiriquí	<u>254.660</u>	<u>9.524</u>	<u>1.614</u>	<u>37.4</u>	<u>6.3</u>	<u>7.910</u>	<u>31.1</u>
Darién	<u>23.770</u>	<u>710</u>	<u>100</u>	<u>29.9</u>	<u>4.2</u>	<u>610</u>	<u>25.7</u>
Herrera	<u>76.590</u>	<u>2.433</u>	<u>463</u>	<u>31.8</u>	<u>6.0</u>	<u>1.970</u>	<u>25.7</u>
Los Santos	<u>73.000</u>	<u>1.942</u>	<u>448</u>	<u>26.6</u>	<u>6.1</u>	<u>1.494</u>	<u>20.5</u>
Panamá	<u>659.580</u>	<u>21.481</u>	<u>3.298</u>	<u>32.6</u>	<u>5.0</u>	<u>18.183</u>	<u>27.6</u>
Veraguas	<u>161.320</u>	<u>5.790</u>	<u>1.128</u>	<u>35.9</u>	<u>7.1</u>	<u>4.652</u>	<u>28.8</u>

Source: Statistics and Census Bureau

Chart No. 19

CHILD MORTALITY BY AGE GROUPS, IN THE REPUBLIC:
1963 to 1972

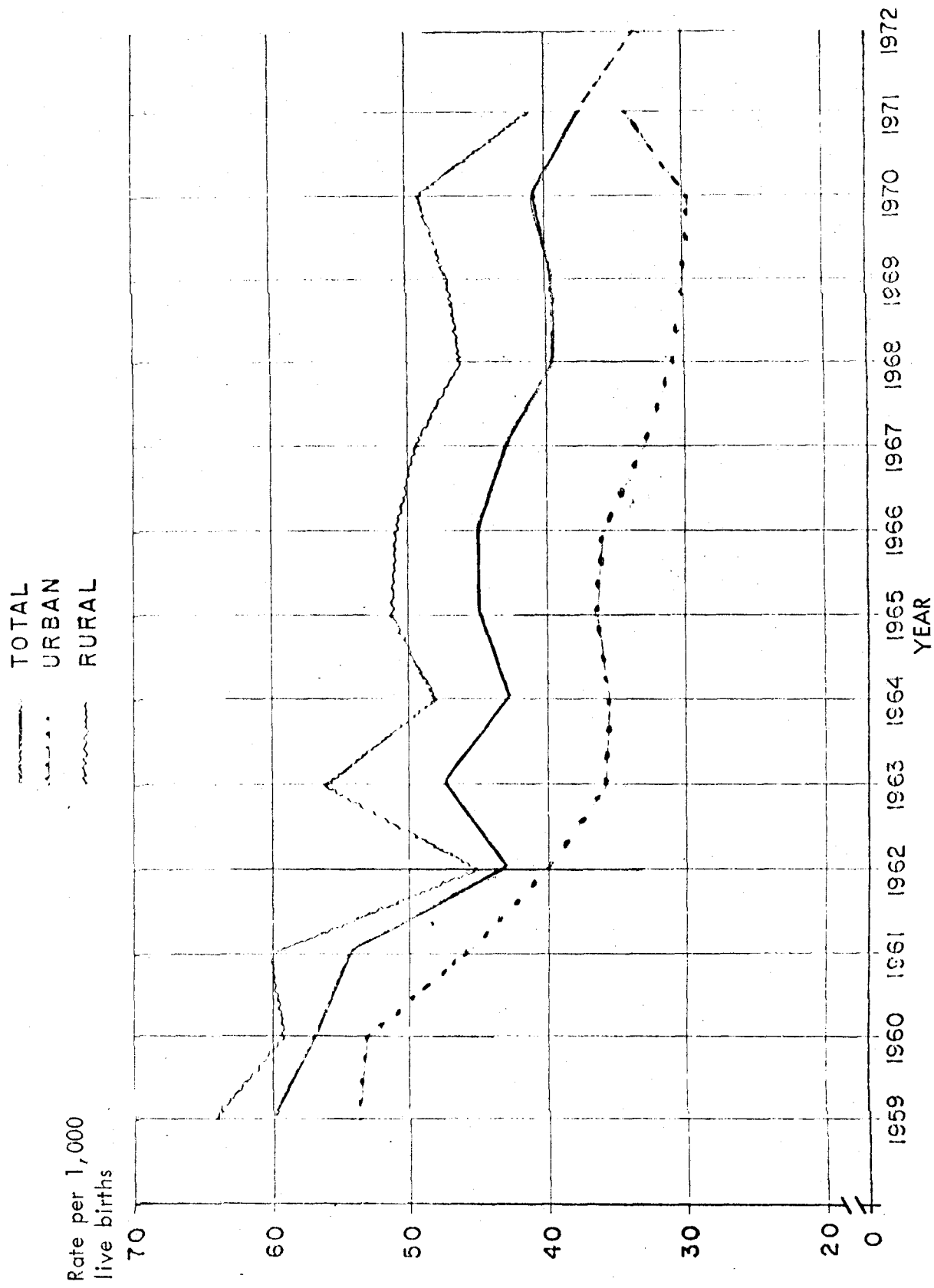


Source: Estadísticas Vitales - 1972, Statistics and Census Bureau.

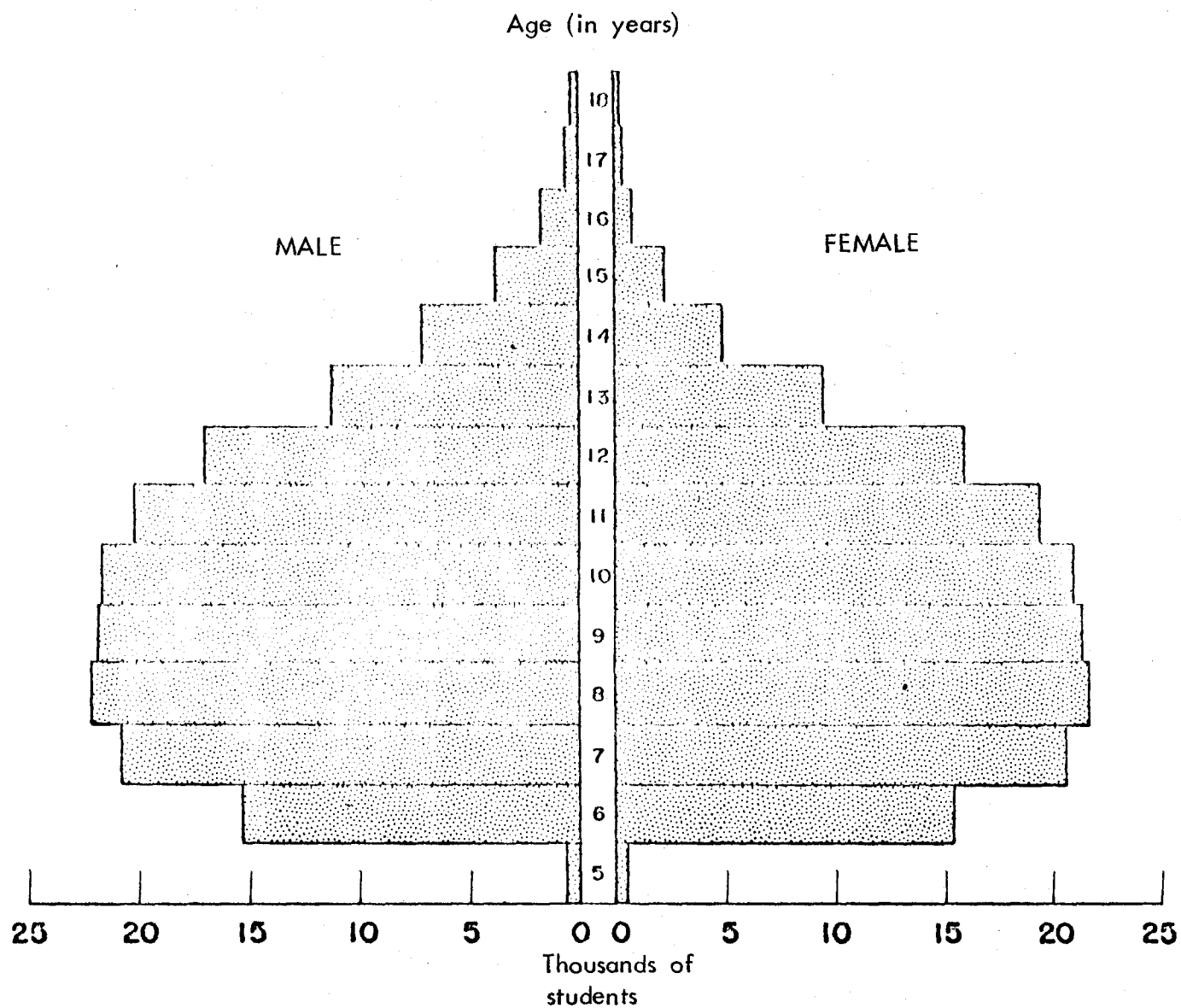
REPUBLIC OF PANAMA

MINISTRY OF HEALTH

CHILD MORTALITY RATE BY AREA, IN THE REPUBLIC OF PANAMA: 1959 TO 1972

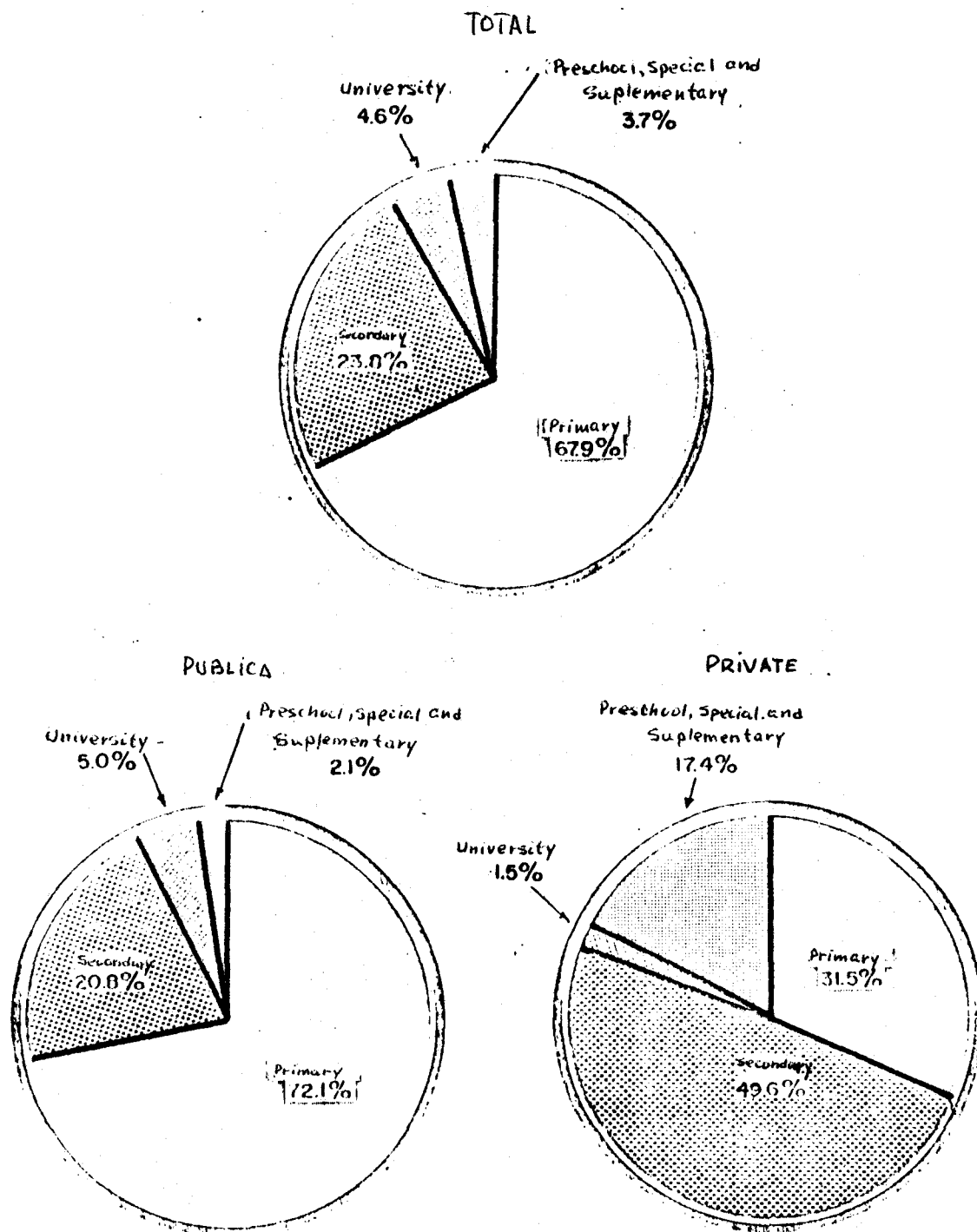


PRIMARY SCHOOL ENROLLMENT BY SEX AND AGE, IN THE
REPUBLIC: 1973 SCHOOL YEAR



Source: Educación Año 1973. Statistics and Census Bureau.

ENROLLMENT ACCORDING TO DEPENDENCY AND TEACHING LEVEL IN THE REPUBLIC: 1973 SCHOOL YEAR

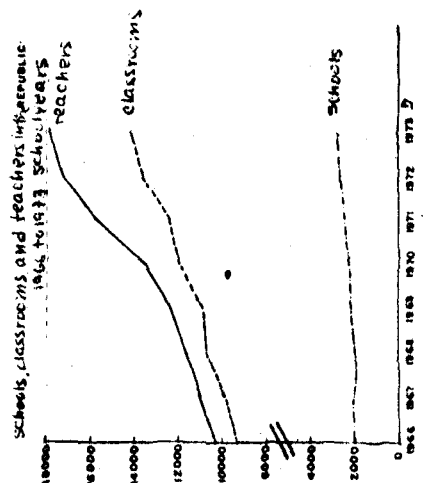
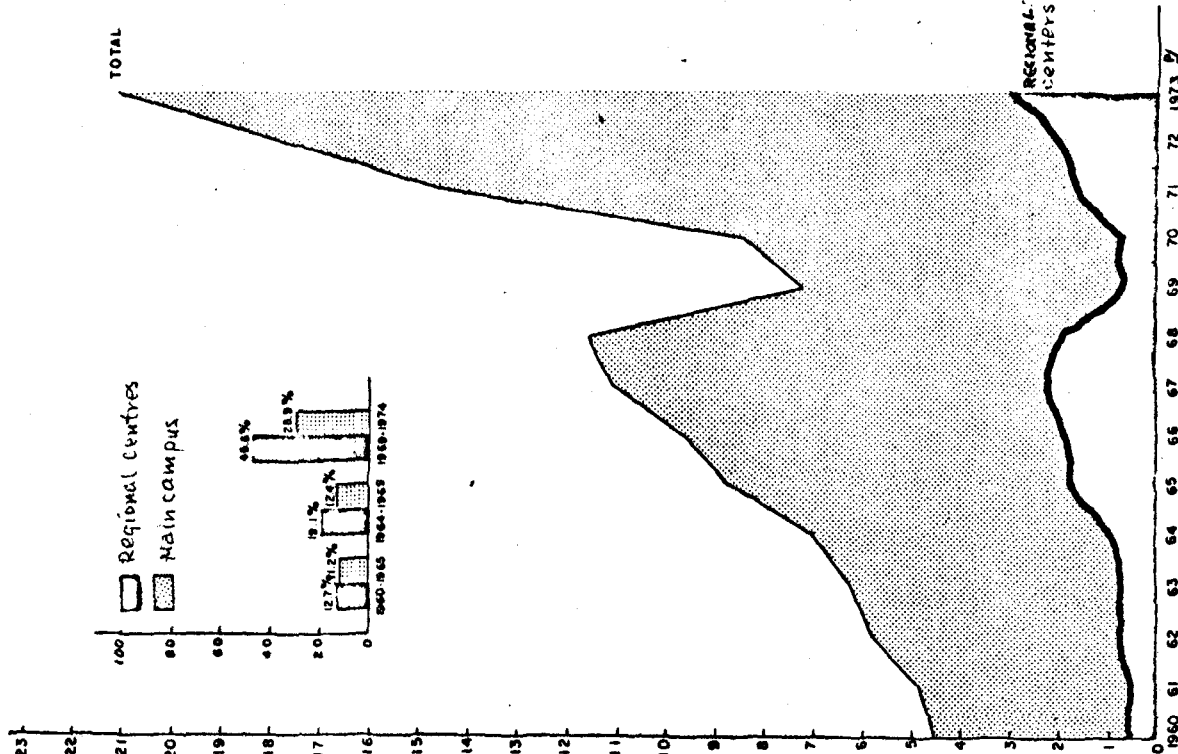


Source: Educación Año 1973. Statistics and Census Bureau.

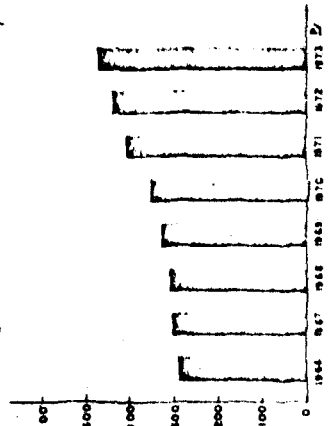
Chart No. 23

PANAMA

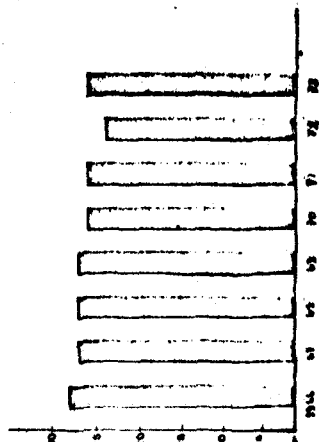
1960 to 1973
(Thousands)



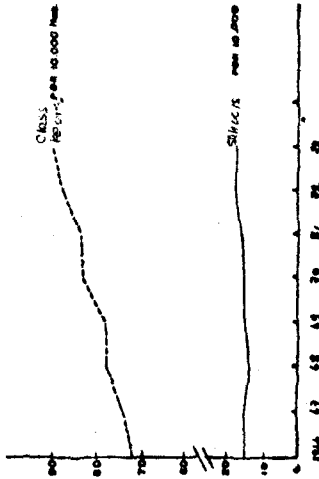
Thousands of students
Enrollment in the Republic
1960-1973 School years



Students per teacher or professor in the Republic
1960-1973 School years



Schools and classrooms per 1000 inhabitants in the Republic
1960-1973 School years



Active loans by place and type of studies up to
January 1, 1974

Place and type of study	TOTAL	
	Number	Percentage
TOTAL	6,504	100.0
PANAMA	5,727	88.1
Secondary	3,247	50.0
University	2,480	38.1
Foreign countries	777	11.9